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NEWS SUMMARY

GENERAL
BBC and FT men told to quit Iran

Iran has told three resident Western journalists, including Mr. Andrew Whitley of the Financial Times, to leave the country.

The other two are Mr. Toyvu Mason of the BBC and Mr. Jerome Dumoulin of the Paris magazine L'Express, who received the expulsion order less than 48 hours after arriving in Iran.

All were told by Dr. Ali Behzadnia, foreign Press director of Iran's Ministry of National Guidance, to leave as soon as possible. Mr. Mason was informed that the authorities objected to the tone of BBC broadcasts about Iran but Mr. Whitley, who has been in Iran for two years, was given no explanation.

BUSINESS
Sterling off 1.15c; Gold improves

STERLING: Selling from New York forced a drop of 1.15 cents on the day to a close of \$2.2105 (\$2.2220). The trade-weighted index fell to 70.6 from 70.9. Dollar's index was unchanged at 84.7.

GOLD rose sharply after a quiet morning to close at \$300.50 (\$298.1).



University talks

University vice-chancellors are seeking urgent talks with the Government about a warning that they must achieve a 6 per cent cut in student admissions next autumn. It came from the University Grants Committee and is a result of planned public spending cuts. Page 6.

Rhodesia plea

Zimbabwe Rhodesia has asked Britain to invite more than 12 people for its team coming to the constitutional conference in London next month.

Prison protest

Scottish Home Affairs Minister Malcolm Rifkind cancelled a visit to Peterhead top security jail in Scotland today because of a rooftop protest by prisoners complaining about conditions. They smashed tiles and windows, then barricaded themselves in an attic.

Roads review

The Department of Transport plans to review all the Labour Government's trunk road development schemes. Civil servants are re-examining London's controversial Archway Road project, abandoned by the Callaghan administration. Page 6.

ITV lockout

The independent television companies—whose screens have been blacked out in a pay dispute—will today lockout members of the National Association of Theatrical, Television and Kinematograph Employees and the Electrical and Plumbing Trades Union. Page 7.

Soweto visit

South African Prime Minister Pieter Botha and four Cabinet ministers are to visit the black township of Soweto, where police shot demonstrating students three years ago. The incident led to riots in which about 500 people died.

Suspect held

Geneva police have arrested 22-year-old Lebanese Mohsen Jaroud on suspicion of involvement in the murder of top Palestine Liberation Organisation official Zuhair Mohsen in Cannes last month.

Ambush victim

Portuguese industrialist Joaquim Ferreira Torres, who was awaiting trial on charges of organising bomb attacks on Left-wing targets in 1975, was killed in a machine-gun ambush while driving near Oporto. Page 3.

Rulers overruled

Greek Government decree establishing diplomatic relations with the Vatican was rejected as illegal by Greece's State Council, the supreme administrative court.

Briefly...

More than 50 people died when a goods train and a passenger train collided near Bangkok, Thailand.

Japanese court ordered Government and three pharmaceutical companies to pay total of £1.2m to victims of disease caused by anti-diarrhoea drug.

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	
Chesterfield Props.	275 + 5
Mathews (B.)	292 + 5
Newmark (L.)	210 + 5
Rohschold Inv.	230 + 4
Royal Worcester	172 + 11
Castlefield (Klang)	315 + 18
Doranzkande	130 + 15
London Sumatra	305 + 22
Sogomana	320 + 15
Doornfontein	313 + 14
Lorraine	98 + 8
FALLS	
Brdman (K.O.) Int. Is.	184 - 3
BP	1.185 - 15

Unemployment falls to three-year low, but could rise soon

By Peter Riddell, Economics Correspondent

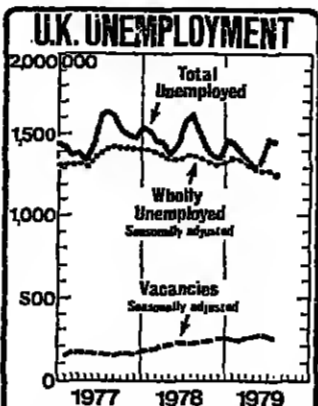
Unemployment is still falling in the UK. But the total could start to rise within a few months, especially as notified vacancies have already dropped for two consecutive months.

The number of adults out of work in the UK fell by 14,000 in the month to mid-August to 1.26m, seasonally adjusted—5.2 per cent of the workforce. This is the lowest level since spring 1976 and is 170,200 below the post-war peak nearly two years ago.

The steady fall in unemployment over the past six months—down nearly 102,000—reflects the buoyant levels of economic activity as output has recovered from the impact of the bad weather and industrial disputes of the winter.

But changes in the unemployment trend generally lag behind turning points in the economic cycle and a better advance warning indicator is the level of vacancies notified to employment offices (just over a third of all vacancies).

Notified vacancies have fallen by 7,500 to 245,500, seasonally adjusted, over the last month. This is the second successive monthly fall. The latest figures may have been affected partly by unseasonably low recruitment by the hotel and catering trades in view of the poor summer business.



Other recent evidence about the state of the economy has been ambiguous. Activity in the early summer was strong but an early downturn was suggested by the Confederation of British Industry trends inquiry on Monday which reported a marked deterioration in manufacturing industry's orders and output.

The official view is that there is nothing in the figures to suggest that the turning point has been reached. But there is virtual unanimity within and outside Whitehall that the expected recession and squeeze on public sector manpower will lead to a sharp rise in unemployment over the next year or so.

The internal Whitehall projections are unlikely to be very different from last month's forecast by the Organisation for Economic Co-operation and Development of a rise of between 180,000 and 200,000 over the next year.

The unadjusted unemployment total fell by nearly 8,500 last month to 1.45m, the lowest August figure since 1975.

This was the result of a 32,000 drop to 183,500 in the number of school leavers out of work and compares with a total of 222,000 a year ago. Nearly 700,000 pupils left school in the last academic year.

The Government's special job supports measures are continuing to have a big impact—reducing the number registered as unemployed by 208,000. This is 18,000 more than in the previous month.

Unemployment map. Page 6

Talks on Budapest-based bank reach final stage

By John Evans

A GROUP of leading European and Japanese banks is in the final stages of negotiations to establish a joint-venture international bank in Hungary.

The new bank, described as the first experiment of its kind in Eastern Europe, will be based in Budapest with the Western participants holding a majority stake in the venture.

Senior state banking officials to Budapest yesterday confirmed that the negotiations, which have lasted several months, are in an advanced stage. They said the venture should be formed before the end of the year.

The Western banks primarily involved have been named as Banco Commerciale Italiana, Societe Generale of France, Creditanstalt-Bankverein of Austria, Long-term Credit Bank of Japan and the Taiyoh Bank. The Hungarian partner will be the National Bank of Hungary.

British and American banks do not appear to be interested at this stage, although preliminary talks have been held with U.S. and Arab institutions.

According to the Western participants, the Budapest bank will undertake a full range of international banking activities, including foreign trade financing. Its activities will not be necessarily limited to business relating to Hungary or East-West trade, but will extend generally overseas.

Some Western observers, in fact, believe the bank will prove to be well-placed to benefit from the growing proportion of trade within Eastern Europe which is financed in Western convertible currencies.

Current bloc estimates suggest that up to 30 per cent of Comecon's internal trade is settled in Western currencies, mainly the U.S. dollar. Comecon's own official trade and settlements medium, the convertible rouble, is frequently passed over in favour of convertible currencies, which offer much greater flexibility.

Meanwhile, European participants in the new bank are stressing that the negotiations will have to solve a few outstanding problems before the go-ahead is given.

One bank said these obstacles centred around the question of guarantees from Hungary for the various investments, channelled through the new bank, which the Western partners would undertake.

Budapest officials appear optimistic that the new bank will begin operations this year. One said: "Our aim is to bring to Budapest an international banking institution which will be a point of prestige for Hungary."

None of the various partners was prepared to discuss the exact shareholding arrangements. But the London Chamber of Commerce and Industry, in its Eastern Europe bulletin, suggests that 60 per cent of the shares will be held by the foreign banks, with the remainder taken by the National Bank of Hungary.

The foreign contribution to the bank's capital will be \$15m, plus a subordinated loan of \$15m.

Under the plans the chairman of the new bank will be a representative of one of the Western partners, while its chief executive will be Hungarian.

Wedgwood profits fall 66%

By Andrew Fisher

THE WEDGWOOD china and pottery group is to cut its expansion plans, production and workforce following a drop of nearly two-thirds in its profits for the first three months of the current financial year.

Increases in UK interest charges and the impact of the rising pound on exports were blamed chiefly by Sir Arthur Bryan, the chairman, yesterday for a 66 per cent fall in taxable income from £1.68m to £570,000 in the three months to the end of June.

He warned that "some appreciable regression from last year's results must be expected in the current financial year," although he expected a resumption of growth in 1980, the 250th anniversary of the birth of Josiah Wedgwood, the group's founder.

Profits before tax in the year to March 31 had totalled £3.55m on sales of £84.2m, of which 57 per cent were made abroad.

The company's pre-tax profits have not registered a decline for the past eight years. The shares lost 7p to 80p yesterday on the figures.

With finance costs at "unrealistically high" levels, Sir Arthur said expansion and modernisation plans would have to be curtailed. Redundancies would be inevitable, but "will be kept to the absolute minimum."

The labour cuts would follow consultations with the trades union officials and be covered mainly through retirements and a reduction in part-time employment. The total labour force is 12,000.

Earlier this week, Royal Doulton, another major china and porcelain producer, said it was cutting its 10,000 workforce by 300 over the next three months as a result of sluggish sales growth and soaring costs.

Wedgwood underwent a severe trimming of its operating margins in the first three months to June 30, with sales up slightly by 21 per cent to £19.58m, while (Continued on Back Page)

UK deals may aid Pakistan atom bid

By Simon Henderson

PAKISTAN is still buying goods from Britain which are believed to be for use in its nuclear programme despite a Government ban on the export of sensitive items of equipment.

The goods, mainly machine tools, are being sent through a Swansea import-export agency, Weargate, which last year had an order for £1.25m-worth of electrical equipment known as inverters banned by the Government because of their possible nuclear application.

Like the inverters, the most recent shipments have been ordered by the Special Works Organisation in Rawalpindi, which Western intelligence experts say is responsible for Pakistan's nuclear weapons programme.

Yesterday in Saudi Arabia, General Zia-ul-Haq, the President of Pakistan, again denied that his country planned to make a bomb. He said its nuclear programme was to meet growing energy shortages.

But officials in Washington fear that Pakistan is close to exploding a bomb using enriched uranium—achieving strategic parity with India which exploded a device in 1974—and possibly setting off a new arms race in the subcontinent.

A secret nuclear facility at Kahuta near Islamabad is believed to be the site of a uranium enrichment plant being built by the Special Works Organisation with materials bought in Europe.

Pakistan has only two nuclear reactors. A commercial power reactor in Karachi uses natural uranium, and a small research reactor near Islamabad uses slightly enriched uranium.

Pakistan officials say work on the next power reactor is due to start next year and to be completed in 1986.

Investigations by the Financial Times have shown that two officials working for the Pakistan Atomic Energy Commission last year visited Britain to buy machinery and lathes. The two men were working on a project under Dr. A. Q. Khan, a Pakistani scientist now the subject of an inquiry by Dutch officials. He is suspected of acquiring secret plans of a uranium enrichment plant in the Netherlands in 1975.

Work on the enrichment plant in Pakistan is believed to have started after France began to back out of a deal to sell Pakistan a nuclear reprocessing plant. This would have produced plutonium which can be used to make a bomb.

Feature. Page 2

Oil industry hopes for stable prices

By Ray Dafter, Energy Editor

THE OIL industry expects that—barring political upheavals—crude oil prices should remain reasonably stable for the rest of the year.

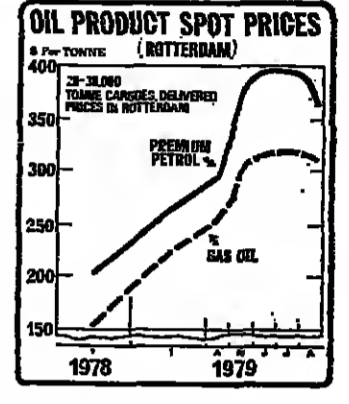
An important indication of the easing pressure on supplies has come in the European spot market where crude oil and product prices have been falling steadily in recent weeks. This, in turn, signifies an end—at least for the time being—of the panic buying and spiralling prices that were a feature of the first six months.

Unless the Organisation of Petroleum Exporting Countries calls a special price-fixing meeting for next month—and the oil industry now thinks this less and less likely—crude oil prices should remain at their present levels until January at least.

European companies have been able to replenish their depleted oil stocks, thanks largely to Saudi Arabia's production of an extra 1m barrels a day, rising North Sea output and the normal seasonal drop in demand. Consequently there has been less pressure on companies to buy comparatively small consignments on the spot market. An exception, to some extent, has been British Petroleum which has been seeking crude oil and products partly in make up for the oil lost through its having been nationalised in Nigeria.

Although the spot market has assumed its more traditional role in international oil trading, representing between 3 and 4 per cent of total oil sales, energy companies and traders point out that it would take only a relatively minor interruption in supplies to trigger another flurry of spot activity. And oil demand and supplies remain tightly balanced.

Mr. Desmond Watkins, managing director of Shell UK Oil, said on Monday that, barring unforeseen events in the Middle East and elsewhere, supplies should remain reasonably favourable. If they did so, the company did not foresee any further price increases this year. Shell had decided to shelve a plan to raise petrol prices by a further 1m to 2m a gallon, largely because of the strength of sterling. Other industry executives were equally hopeful yesterday of a period of price stability.



Holiday

According to one leading oil trader in London, the Rotterdam market has returned to its normal August state, one of very little activity reflecting not only holiday conditions but also the healthier state of oil industry supply and demand balances.

"The spot market has returned to what it always used to be, a market dealing with marginal quantities, instead of the tail wagging the dog as it was earlier this year," he said.

Spot lots of light crude oil—important for the manufacturing of petrols and chemicals—from the Persian Gulf are now being sold at between \$30 and \$32 a barrel, against a peak of \$37 to \$38 a barrel a few months ago. The rapid rise in spot prices earlier this year, caused largely by the reduced Iranian exports, helped to emphasise OPEC's demands for higher contract prices.

Heavier crude oil from Middle East producers is reported to be fetching between \$26 to \$28 a barrel whereas spot lots of premium African crudes are valued at between

£ in New York

Spot	\$2.2146-2165	\$2.2120-2140
1 month	0.56-0.60 dts	0.45-0.56 dts
3 months	1.55-1.81 dts	1.56-1.83 dts
12 months	4.52-4.40 dts	4.65-4.50 dts

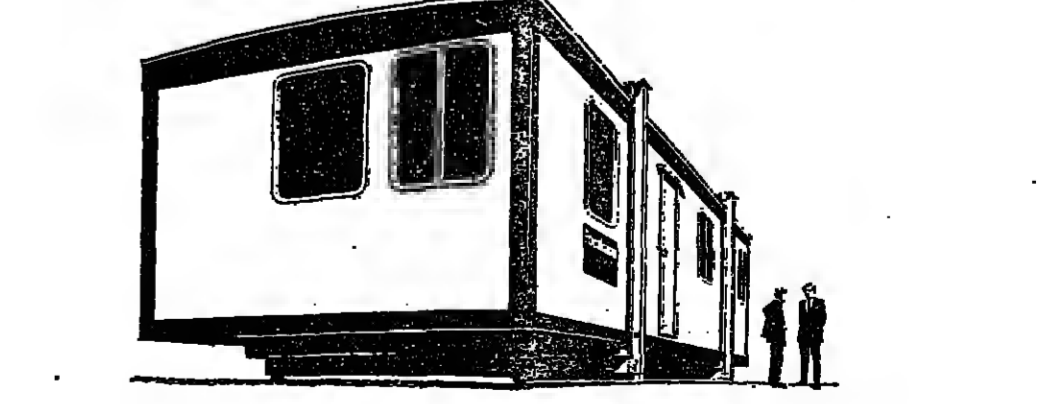
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Simon Henderson reports on General Zia's 'Islamic bomb' Pakistan's nuclear shopping list: the British link

ACCORDING TO the local guidebook the town of Kahuta near Islamabad, the capital of Pakistan, is a quiet place with a skyline broken by several Sikh and Hindu temples.

There is nothing to suggest, it says, the pre-partition horrors of 1947 when the town was the scene of serious inter-communal fighting between Muslims on one side and Sikhs and Hindus on the other.

What the guidebook fails to mention however is that today Kahuta is the site of another serious source of tension between Muslim and Hindu. It is where Pakistan is believed to be building a gas centrifuge uranium enrichment facility capable of producing weapons grade uranium.

Last week Mr. Charan Singh, the then Indian leader, said his country would go ahead with developing an atomic bomb if Pakistan continued its own programme.

Senior Pakistani officials were quoted as saying also that a decision on whether to explode a peaceful nuclear device would be left to civilian politicians after elections in November.

Pakistan's nuclear plans have provoked mounting international concern. The U.S. has stopped all aid (except food) to Pakistan and withdrawn an offer to sell F-5 fighter-bombers. Pakistan is now demanding Kahuta and a pilot enrichment plant at Sialkot with missiles and aircraft again - the possibility of an Indian strike.

Israel has expressed concern that a Pakistani weapon would be made available as an Islamic bomb to the Arab countries.

Meanwhile Pakistan's ambi-

tious plans continue. Last month General Zia ul-Haq said the nation would eat crumbs rather than allow the national interest of acquiring nuclear technology to be compromised.

The Pakistanis continue to insist that they are not intending to produce nuclear weapons. The programme is simply to meet Pakistan's energy needs.

Investigations in Pakistan and Britain show that:

- The main conduit for the supply of equipment is a body in Rawalpindi named the Special Works Organisation (SWO). Its function is to procure materials for the manufacture and support of Pakistan's nuclear facilities.
- Pakistan's buying of equipment for its nuclear plant has continued despite a British Government ban on the export of some items.
- These purchases have been made through two related companies in Swansea and in London.

The orders have links with other purchases made in Europe as part of an operation controlled by a Pakistani scientist who is believed to have acquired secret information from a uranium enrichment plant in Holland.

Pakistan's purchases first came to light last year when Mr. Frank Aulou, chairman of the Labour Party and MP for Salford East, pointed out that equipment known as frequency choppers or inverters being made at Emerson Electrical Controls of Swindon in Pakistan could be used with gas centrifuges. The other, worth £1.5m was going through Weargate of Swansea. The British Government banned its export.

but Weargate says it has continued to sell other non-restricted goods.

Purchases of other equipment have also been made. Inverters from Emersons were ordered through West Germany for shipment to Pakistan and were delivered before the British Government ban. Rotors for centrifuges were bought elsewhere in Europe. High vacuum valves came from Switzerland, as did gas handling units which were required for vaporising uranium hexafluoride to be processed in the centrifuges.

Although Pakistan's budget allocation for its nuclear programme is only \$40m per year, it is clear that much more is being spent on the project.

The Kahuta building site is spread over hundreds of acres, probably accounting for more than the official nuclear budget by itself. There are residential and other buildings under construction, and a dam with six weirs.

According to diplomats work at Kahuta comes under the Special Works Organisation at 169 Kilton Road, Rawalpindi, the military town next to Islamabad. In July this year the SWO placed notices for tenders in the local Press for the transport of 5,000 tons of cement before the end of the year to "work sites 35 km from Rawalpindi," a description which fits Kahuta. The cement alone is worth \$450,000.

The Special Works Organisation is the body to which Weargate Ltd. of Swansea says it has sold \$800,000 worth of machine tools and other equipment during the last 18 months.

The man in charge of the

SWO is Brigadier Anis Ali Syed - an American-trained engineer who was deputy director of military operations in the Pakistan army until appointed in June last year. He visited Britain from December to 24 last year "on official business."

Other visitors to Britain last year were two retired army officers working for the Pakistan Atomic Energy Commission. Major Mohammed Sadiq Malik, a procurement officer, and captain Fida Hussain Shah, an assistant administrative officer.

The two men, who were also travelling to Switzerland, said they were to expedite the delivery from England of machinery and lathes which had been ordered and arranged for its shipment via Pakistan International Airlines.

In response to questions by British officials they said all arrangements had been made by their project director, Dr. A. Q. Khan. They gave the company they were to visit as S. R. International of Clovelly Avenue, London SW.

Dr. Khan is the Pakistani scientist who used to work in Holland and is now believed to be in charge of the uranium enrichment programme.

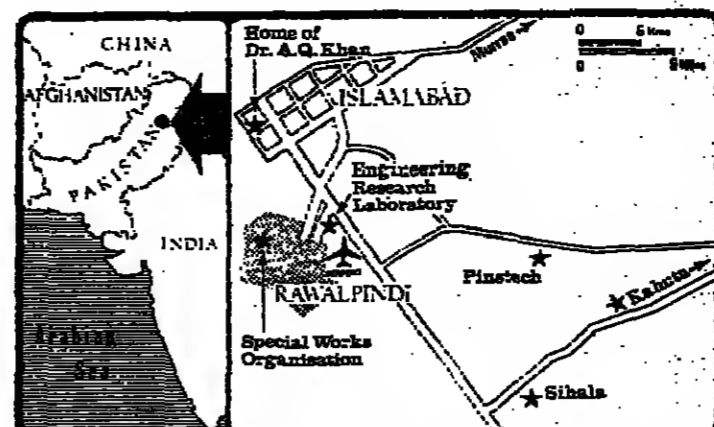
There is no Clovelly Avenue listed in south-west London. The only Clovelly Avenue is in Colindale, London NW9. But when Major Malik returned for a second visit to England in December 1978 he again gave his destination as S. R. International of London SW.

S. R. International of Source Reliance International of Clovelly Avenue, London NW9 operates out of number 27. Its directors are a Mr. and Mrs. Ahdus Salam who live next door at number 25. Mr. and Mrs. Salam also own 66 per cent of the Swansea company, Weargate.

Mr. and Mrs. Salam are at present on holiday in America and last week an employee of the company tried to answer any questions about it.

In Pakistan last month a spokesman for the Pakistan Atomic Energy Commission denied that Dr. A. Q. Khan worked there. But there is no doubt of his links with the nuclear research programme.

During a visit to an installation called Engineering Research Laboratory (ERL) at Islamabad Airport in June my colleague, Chris Sherwell, was told that Dr. Khan was co-director of the establishment.



ERL is believed to be the transit point for nuclear-related equipment flown in from Europe by Pakistan International Airlines. It is now guarded by plainclothes security men.

There is also little doubt about the sensitive aspects of Pakistan's projects. The French Ambassador to Pakistan and his first secretary were beaten up after driving past Kahuta in June. Chris Sherwell was attacked three days later outside the house of Dr. Khan in Islamabad.

Pakistan's nuclear ambitions are believed to stretch back 15 years when a BAW American-supplied research reactor began operating at PINSTECH, the Pakistan Institute of Nuclear Science and Technology, just outside Islamabad.

A Canadian-built 127 MW power reactor began operating in Karachi in 1971. However,

Dutch forecast balanced current account

BY CHARLES BATCHELOR IN AMSTERDAM

THE NETHERLANDS current account is expected to be in balance this year after earlier forecasts of a £1.5bn (£335m) deficit. The new estimate is contained in the draft of the macro-economic plan being drawn up by the Central Planning Office.

Visible trade is expected to show a deficit of £1.52bn, only slightly smaller than last year's £1.55bn. Although trade volumes have moved in the country's favour, the terms of trade are expected to worsen by £1.24bn owing to adverse movements of import prices compared with those of exports in the first half of 1979, the visible trade deficit fell slightly to £1.18bn from £1.2bn last year.

The new forecast implies a considerable contribution to the balance of payments from "invisible" services like insurance, shipping and banking, since tourism is expected to show a continuing large deficit. In 1979, in 1978, "invisibles" showed a surplus of £1.307bn, the smallest surplus for seven years.

The Government recently announced extra support for the Dutch tourist industry but this will have little effect in the long run. The tourism deficit was £1.45bn last year.

The Netherlands in 1978 recorded its first current account deficit - of £1.242bn - for seven years.

Dutch industry received slightly fewer new domestic orders in July, although the export order position was unchanged, the Central Statistics Office said. The index of the order position in terms of months of work rose to 100 from 96. It was lower than in July 1977 and 1978, however, when it stood at 103 and 101 respectively.

The monthly survey is based on more than 80 per cent of Dutch businesses, excluding those in the foodstuffs and tobacco sectors.

E. Germans urged to turn out higher quality goods

BY LESLIE COLT IN BERLIN

EAST GERMANS are being told to treat reports about a worsening economic situation in their country as a "hazey lie" by imperialists in the West.

East Germany's top economic officials add, however, that his countrymen must improve the nature and quality of what they produce, if their present standard of living - the highest in the Communist world - is to be "secured and gradually improved."

The exhortation is from Herr Gunter Mittag, the Communist leadership's Secretary for the Economy. It comes amid persistent reports in East Germany of planned price-rises later this year for petrol and other highly subsidised and low-priced essential goods and services, because of higher prices for energy and raw materials. These are mainly imported from the Soviet Union.

In a speech to the research staff of the Carl Zeiss Jena works, prominently reported in yesterday's issue of Neues Deutschland, Herr Mittag says:

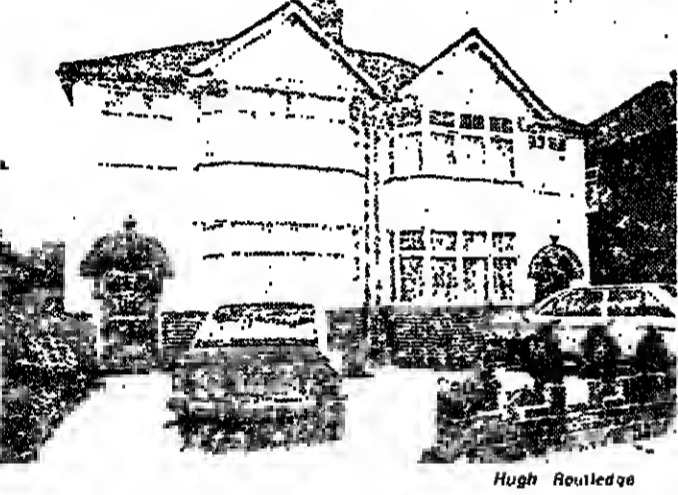
"The East German warning follows sharp criticism in neighbouring Czechoslovakia of its own economic performance. There, blame was put on industrial directors and government ministers in East Germany, the economy in the first half year - although better than most of the other Comecon countries - fell short of the plan. Industrial output grew at 3.2 per cent, instead of the planned 5.5 per cent."

Herr Mittag called on factory directors to start talking about "actual products" to be turned out, instead of merely about the "scientific-technical work to be started."

East Germany will not allow itself to be "diverted from the inviolable fraternal alliance with the Soviet Union by anyone or anything."

He accuses the West of generating rumours, which gain wide credence in Communist countries because of the absence of a credible Press, in order to distract attention from the "West's own 'deep-seated crisis'."

The East German warning follows sharp criticism in neighbouring Czechoslovakia of its own economic performance. There, blame was put on industrial directors and government ministers in East Germany, the economy in the first half year - although better than most of the other Comecon countries - fell short of the plan. Industrial output grew at 3.2 per cent, instead of the planned 5.5 per cent."



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HEADQUARTERS SPECIAL WORKS ORGANIZATION

CARRIAGE CONTRACT - AMENDMENT

Advertisement for carriage contracts and amendments, including contact information for S. R. International.

WEARGATE

Advertisement for Weargate, a company involved in nuclear equipment supply, including contact details for Mr. and Mrs. Ahdus Salam.

Reddy in talks on political dilemma

BY K. K. SHARMA IN NEW DELHI

MR. N. SANJIVA REDDY, the Indian President, yesterday continued discussions with representatives of political parties and constitutional experts on India's political crisis. He has been placed in a dilemma by Mr. Charan Singh's advice to him to dissolve the Lok Sabha (lower house of Parliament).

Pressure is being put on Mr. Reddy to ignore Mr. Charan Singh's advice on the grounds that the Prime Minister (now heading a caretaker Government) avoided facing Parliament on a vote of confidence on Monday and so has not demonstrated that he ever had a majority.

Mr. Charan Singh resigned just 15 minutes before the debate on the vote of confidence was to begin, when it became clear that he would be defeated. Mrs. Indira Gandhi had announced that her Congress faction would vote against his coalition.

Emissaries of Mr. Jagjivan Ram, leader of the opposition and of the truncated Janata Party, also met Mr. Reddy to press his claim to be asked to form the Government. The demand is based on the claim that the Janata can muster a majority in the Lok Sabha and demonstrate this whenever required.

The claim is questionable since the Janata by itself has only 205 members in a house of 542. But Mr. Ram says that he has been promised support by many others, including some regional groups.

Mrs. Gandhi's attitude remains a mystery. If she indicates that she will support Mr. Ram, it would give substance to his claim. Mrs. Gandhi met the President yesterday again but refused to disclose what was discussed.

If she told Mr. Reddy that she favours early elections then it would be difficult for him to avoid dissolving Parliament.

AUSTRALIAN BUDGET Energy benefits among concessions to exporters and investors

BY JAMES FORTH IN SYDNEY

THE AUSTRALIAN Government has reduced the duty on export coal from A\$3.50 (\$1.80) a tonne to A\$1 for new open-cut coal mines.

The reduction was one of a string of small concessions to individuals, companies, exporters and investors announced in the budget brought down last night.

The existing 30 per cent tax rebate on share capital subscribed for local oil discoveries has been extended. This should provide a flip to the share market as a number of petroleum exploration companies are at present arranging public floatations.

The reduction of the coal export duty does not affect existing open-cut coal exporters who will continue to pay A\$3.50. The dominant open-cut coal exporter is Utah of the U.S. and the measure appears to discriminate heavily against the company.

Mr. John Howard, the Treasurer, delivered a relatively neutral Budget for 1978-80 because most measures had already been announced in the "mini-Budget" introduced on May 24, and changes to the local crude oil pricing policy late in June.

In the mini-Budget the Government continued until at least November 30 a 2.57 per cent income-tax surcharge introduced in the 1978-79 budget and which was due to end on July 1.

It is also suspended tax indexation for a decision in yesterday's Budget where it was announced that it would not be possible to drop the surcharge and reintroduce tax indexation. The package revealed that the tax surcharge will end on December 1, which will increase average weekly earnings by about A\$4.45 (£2.25).

Tax indexation will not be restored in 1979-80 and Mr. Howard said that whether it was restored in 1980-81 depended on general economic conditions and wage decisions by the Arbitration Commission.

The budget aims for an overall deficit of A\$2.19bn which compares with an estimate of A\$2.8bn in the 1978-79 budget, and an actual figure of A\$3.46bn.

In fact last year's budget assumptions were wrong on several counts: the target money supply growth of 6 to 8 per cent ended up at almost 12 per cent; the inflation rate of around 5 per cent came out at 8.8 per cent and a forecast of lower interest rates proved incorrect.

Business fared better than generally expected. The company tax rate remained unchanged at 46 per cent despite strong reports that it would rise to 47.5 per cent. Private companies are now allowed to retain 70 per cent of their profits rather than 60 per cent before they incur undistributed profits tax.

The budget assumes an inflation rate of around 10 per cent by mid-1980 and a money supply growth of no more than 10 per cent. No predictions are made on interest rates.

Israel may ease settlement rules

BY DAVID LENNON IN TEL AVIV

THE GUSH EMUNIM settlement movement believes the Israeli Government is about to introduce new regulations permitting the purchase or easier expropriation of land on the occupied West Bank for Jewish settlements.

Members of the Kedumin settlement said this yesterday, after meeting Israeli officials following their enforced abandonment of a West Bank hill-top near their village which they had grabbed on Sunday.

Gush Emunim members said they took the Government's attention to draw the Government's attention to the fact that many of their settlements on the West Bank had insufficient land for expansion.

After meeting Mr. Mordechai Zippori, deputy Defence Minister, some of the settlers said they were convinced that more land would be made available. They also briefly met Mr. Menahem Begin, the Prime Minister, who invited them to meet him again on Thursday when he had time to study their problem.

The settlers said they were assured the issue of land for Jewish settlements in the occupied territories would be discussed at Cabinet-level today.

Their spokesman said the Ministers were likely to consider permitting Jews to buy land in the territories and that a proposal had been put before the Ministry to apply to the occupied territories an Israeli law on the expropriation of land for public purposes.

Israel land seizures on the West Bank have been slowed by a string of appeals by Arab landowners to the High Court. At least four cases are before the court, the most important concerning confiscation of land beside Nabulis, the West Bank's largest town, for the Eilim Moreh settlement.

In all these cases, the Arab farmers argue that the claim that their land is needed by Israel for security purposes is spurious. If it is being given to Jewish settlers.

Many Israelis fear that applying expropriation law to the territories would evoke worldwide disapproval.

Reporter reports from Amman: Mr. Ysraf Awaf, the Palestinian Liberation Organisation leader, arrived in the Jordanian border town of Ramtha from Damascus yesterday, to discuss with King Hussein developments in the area.

VATICAN AND CHINA The wall of silence starts to crumble

BY PAUL BETTS IN ROME

SLOW BUT significant steps are underway to bring about a reconciliation between the Vatican and the Catholic Church in China.

For the first time since his election last year, Pope John Paul II has spoken openly about China's claims for a resumption of official relations between the Vatican and the Chinese Catholic Church, broken some 30 years ago during the Chinese civil war.

It is widely regarded as an important diplomatic initiative directed not only at Chinese Catholics but at the Peking authorities.

In 1949, China counted as many as 5m Catholics, 5,800 priests and some 100 bishops and now, for the first time since then, the independent Chinese church has given a signal, shrouded in the conventional caution, of its willingness to open a dialogue with the Holy See.

Pope John Paul's predecessor, Pope Paul VI, sought on various occasions to open such a dialogue. His last major attempt was made in 1970, when he visited Australia and the Philippines. But all his initiatives were met by a wall of silence from China.

What is particularly significant is that the Peking Patriotic Catholic Association - as the church is officially known in China - should have reacted to Pope John Paul's call barely a week after it had accused the Vatican of interference in its affairs.

This followed the election of a new Catholic Bishop of Peking by the Association. In the eyes of the Vatican, the appointment of the Most Rev. Michael Fu Tieshan - the first of a Catholic prelate in China in 15 years - was not legitimate.

None the less, both the attack against Vatican interference and the insistence on the autonomy of the Chinese church in the Patriotic Association's reply to Pope John Paul are regarded by the Vatican not as a negative reaction, but as part of the inevitable ritual in such cases.

In its answer to the Pope, the Patriotic Association indicated that Vatican recognition of the Chinese church's independence was a prerequisite for any eventual reconciliation. In fact, recognition of the autonomy of the local church - a principle accepted by the Second Vatican Council, is not likely to represent a major hurdle.

The main obstacles are likely to come from the hierarchy of the Chinese church and the Peking authorities over the appointment of bishops. At present, bishops are elected in China on a "democratic" system, but the Vatican would clearly insist on a nomination of bishops by the Pope.

The other difficulty is represented by Taiwan. The Chinese authorities, who effectively control the Patriotic Association formed in the 1950s, clearly want the Vatican to break relations with Taiwan.

The Holy See has increasingly toned down these relations. China has indicated that negotiations for a rapprochement with the Vatican will inevitably be difficult as long as Taiwan maintains a formal diplomatic representation to the Holy See in Rome.

Despite these significant obstacles, there has already been a marked improvement in relations between Peking and the Vatican.

Perhaps most significantly, the Chinese authorities indicated last March they were willing to allow the Jesuits to reopen their famous university in Shanghai.

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Chad accord signed in Lagos

ABIDJAN, IVORY COAST - Nine rival groups in Chad signed an agreement in Lagos yesterday to form a government of national union with Frontline (Chad) liberation from leader Mr. Goukouni Oueddei as President. Lagos radio reported.

The agreement ends a long-standing feud in the central African state, Reuter

South Africa raises bank credit ceilings

BY QUENTIN PEEL IN JOHANNESBURG

CREDIT CEILINGS imposed on South African banks are to be raised by 4 per cent, following last week's cut in the bank rate to 7 per cent. Dr. Bob de Jongh, Governor of the South African Reserve Bank, announced the new ceilings yesterday.

The move is seen as a clear signal of the Government's desire to give further stimulus to the economy, which has failed to respond to repeated doses of cautious deflation.

But the continuing caution of the latest monetary measures underlines the likelihood of an imminent package of fiscal measures which might give a more immediate boost to flagging private-sector confidence and spending.

In his annual review of the economy Dr. de Jongh identified several key problems preventing the economic revival from gathering momentum, and from reaping the benefit of the huge current-account surplus, caused by buoyant sales of gold and other minerals.

In spite of widespread liquidity in the economy - illustrated by the heavy over-subscription of recent share issues on the Johannesburg Stock Exchange - private-sector consumption and investment has refused to pick up over the past year.

Private consumer spending increased by only 1 per cent in the year to June 30, and gross domestic fixed investment decreased by 5 per cent. Real fixed investment in manufacturing decreased by 16 per cent, Dr. de Jongh said.

Money supply has been kept within strict limits by the conservative monetary policy of the Reserve Bank, yet the inflation rate accelerated in July to an annual rate of 12.9 per cent - much of the increase attributable to the fuel price rise.

The current account of the balance of payments was running at an annual surplus of R3.5b (£1.9bn) in the first quarter of 1979.

However, an increase in oil imports (which had dropped 40 per cent in the previous quarter) reduced the surplus to less than R2.3bn (£1.2bn) in the second quarter. The benefits of the mineral earnings have largely disappeared into Government revenue through higher mining taxes.

The benefit of the current account surplus has also been countered by a continuing heavy outflow of capital from the country. The net capital outflow worsened from R970m (£518m) in 1977-78 to R2.24bn (£1.19bn) in 1978-79.

Dr. de Jongh said that the new financial rand system introduced in January to encourage greater productive investment by foreign companies might have aggravated the capital outflow. Some companies might have used financial rand bought at a discount to repay short-term foreign loans.

The governor admitted that the need to attain a higher economic growth rate, and therefore lower unemployment, while suffering from a high and increasing inflation rate and possible balance-of-payments problems caused by the soaring oil bill, suggested no "obvious solution."

He said, however, that Senator Owen Hood, the Minister of Finance, was considering a number of proposals to stimulate the economy. It is believed that such a package could be announced early next month after the meeting of the Prime Minister's Economic Advisory Council on August 30.

Nigeria reduces Soviet military training mission

WASHINGTON - The Nigerian Government has told the Soviet military training mission, which has been teaching Nigerians to fly and maintain their MiG-21 fighters, to cut its numbers early next year from 38 to only five advisers, American intelligence officials report.

A U.S. intelligence report detailing this development arrived here before the recent Nigerian election which will return the country to civilian rule on October 1 after 13 years under military control. There has been no indication that the election will change the Soviet mission's cutback, the officials said.

The Nigerian air force was described as satisfied with the Soviet-supplied MiG-21 jets, but unhappy with the Soviet training mission. The U.S. intelligence report said Soviet advisers had been accused by Nigerians of "condescending attitudes" towards them.

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Radicals to boycott Basque referendum

By Robert Graham in Madrid

HERRI BATASUNA, the radical Basque political group, has decided to carry out an "active" campaign to boycott the forthcoming referendum on the Basque Autonomy statute.

This threatens to turn the referendum, planned for early October, into a confrontation between moderate and militant Basque nationalist forces.

Herri Batasuna won 25 per cent of the vote in the two main provinces of the Basque country at the March general elections. The group refused to take part in discussions on the Autonomy Statute, finalised at the end of July. It also has refused to occupy its three national Parliamentary seats.

Although a boycott had been expected, the vigorous terms in which it is being opposed has aroused concern.

Representatives of Herri Batasuna claim that the Statute is wholly inadequate, disagreeing with parts of virtually every article. In particular it opposes the absence of any mention of Basque sovereignty.

There is also strong opposition to the barriers in the Constitution that inhibit the incorporation of the Spanish Basque province, Navarre, into the new autonomous entity.

Herri Batasuna at the same time has done nothing to dissociate itself from the continued actions of ETA-Militar, the most hardline of the groups within the Basque separatist organisation.

While another group, ETA-Politico-Militar, has formally called off violence for the time being, the ETA-Militar group has killed four people and wounded 10 since the beginning of August. This is in addition to a continuous series of bombings, the most dramatic being the weekend attack on the Basque General Council building in Bilbao.

Workers funds hot seat for Swedish editor

By William Dullforce in Stockholm

THE LIBERAL minority government has appointed a Social Democrat, Mr. Allan Larsson, as chairman of a key commission evaluating plans for worker share-holding funds. The worker funds are likely to be one of the hottest political issues in Sweden in the 1980s.

Mr. Larsson, 41, is chief editor of the Co-operative Organisation's weekly magazine. He has been Labour Under-secretary of State in the last Social Democrat government and chief planner for the metalworkers' union.

A union federation proposal for share-holding funds to be financed from company profits and administered by the unions was one of the most controversial issues in the 1976 general election, in which the Social Democrats lost power for the first time in 44 years.

Portuguese industrialist shot dead in ambush

By Jimmy Burns in Lisbon

A PORTUGUESE industrialist accused of organising a series of bomb attacks against left-wing targets in 1975, has been shot dead in an ambush in northern Portugal.

Police announced yesterday that Sr. Joaquim Ferreira Torres was killed in a machine-gun attack while driving alone near Oporto. Two passers-by found his body in his bullet-riddled car, but there were no witnesses to the actual killing.

While responsibility has not yet been claimed for the killing, Sr. Torres's death has generated considerable unease.

Yesterday's machine-gun attack, the first on a public figure in Portugal since the revolution five years ago, comes only weeks away from the General Election. The killing may be an isolated incident, but

STOPPAGE OVER STAFFING LEVELS AND CONDITIONS STARTS TODAY

Strike will cut French rail services by 75%

By David White in Paris

ABOUT three-quarters of the French railway system will be out of action today and tomorrow because of a strike over drivers' staffing levels and working conditions.

The three unions which called the strike said it would be a warning shot to the authorities in anticipation of a more drastic stoppage from September 10 to 15. The unions represent about 90 per cent of drivers on the State-owned

SNCF network.

The strike is due to last until Friday morning. Main-line services were being cut last night. Only one in every four or five trains is expected to run, and Paris suburban services are due to operate at 25-30 per cent of normal levels.

The unions are protesting against the Transport Ministry's decision to start operating single-driver goods trains on routes equipped with new radio communications.

The SNCF expects the **canin shrldu etoain etoain shrldu** decision, in the offing for some time, to result in an initial staff reduction of 800. But the unions claim it will eventually mean 10,000 fewer jobs if the one-driver principle is applied throughout the network.

They say the move is a safety risk and entails harder working conditions, particularly at night, and would involve all the SNCF's 260,000 employees.

The main French union federations are also waging war on the Government's policy of abandoning price controls. They have denounced recent sharp price increases for fruit and vegetables, blaming them on speculation and lack of real competition.

M. Andre Bergeron, head of the Force Ouvriere union, has attacked "the scandalous behaviour of middlemen." But M. René Morogy, Economy Minister, said in a radio inter-

view that the price fluctuations were "a normal phenomenon."

The Government would stick by its liberalisation policy, applied last year throughout the industrial sector and gradually being applied to services.

It is thought, however, that controversy about the scale of some increases, particularly for bread—that most symbolic commodity—may lead the Government to delay its plans in this direction.



M. Rene Morogy

Turkey continues martial law

By Metin Munir in Ankara

MARTIAL LAW, in effect in 19 of Turkey's 67 provinces, was extended for two more months yesterday.

Parliament was recalled from recess to vote in favour of the extension, which the Government had called for on the grounds that organised terrorism continued to be a threat to democracy.

Martial law was declared eight months ago following a massacre of 110 people in eastern Turkey. It covers principal cities such as Ankara and Istanbul as well as eastern provinces bordering Iran and Iraq.

The Government wants to check separatist movements in these areas, which have predominantly Kurdish populations.

Mr. Hasan Fehmi Guner, Interior Minister, asked Parliament for a national policy against organised terrorism. "The threat is directed to us all and against our people and democracy."

One right-wing Opposition party did not attend the sitting, while the other two, including the Justice Party of Mr. Suleyman Demirel, the former Prime Minister, voted against it.

Despite martial law, an average of 100 people are losing their lives in Turkey every month in politically motivated terrorism.

Demand for cars may be slowing in West Germany

By Jonathan Carr in Bonn

THE WEST GERMAN car industry, which followed up the boom year of 1978 with further record-breaking performances early this year, could now be facing a downturn in domestic demand. But new energy-saving models under development brighten the longer-term sales outlook.

Figures for release today for vehicle production and new registrations cover only the month of July, so that caution is in order in forecasting a change in trend.

None the less, both sets of statistics appear to indicate that the setback for the industry prophesied during the recent oil supply difficulties and price rises may now be setting in.

The figures show that 259,100 motor vehicles of all kinds were produced in West Germany last month, 238,400 of them cars and estate wagons. A direct comparison with July last year shows a production fall of 9 per cent, although adjustment for differing holiday periods cuts that figure to a fall of 4 per cent.

While demand for cars appears to be slackening at home but is buoyant abroad, the

position is reversed for commercial vehicles. The upsurge in other key sectors of West German industry is boosting domestic demand for these vehicles while foreign demand stagnates.

Despite the fall in July, passenger vehicle production figures for the first seven months, at 2.4m, surpass the figure for the same period of last year by about 3 per cent, thanks to the surge with which 1979 began.

New vehicle registrations in July, at 285,438, were down by 5.2 per cent against the same month last year and by 18.7 per

cent against June. Passenger vehicle registrations alone dropped by 6.5 per cent against last July, while those of motor cycles jumped by 20.5 per cent.

It would be premature to deduce from these figures that the love of the West German for his car is ending at last. The Federal Republic remains one of the few havens with no formal speed limit on its motorways, and the price of petrol is lower than in most neighbouring countries, despite recent increases.

Many West German manufacturers are turning their attention to the cars for the 1980s

and beyond—with a cut in fuel consumption one of their prime concerns. Some indication of their plans will emerge at the international show in Frankfurt next month, where such features as light-metal components to reduce weight and five-speed gearboxes will be on display.

Nevertheless, the kind of records set last year—when nearly 3.9m passenger vehicles left the production lines, more than 2.5m new licences were issued and 5.2m used cars changed hands—look as though they will be increasingly hard to surpass.

Norway trade balance moves into surplus

By Fay Gjester in Oslo

NORWAY more than halved its current account deficit in the first six months of 1979 to Nkr 3.35bn (£299m) from Nkr 7.03bn in the same period last year.

Preliminary figures from the Central Bureau of Statistics also showed a surplus of Nkr 1.77bn on foreign trade in goods and services in the first half compared with a deficit of Nkr 2.83bn in the same period a year earlier.

Exports of services, oil and gas, second-hand ships, and traditional goods all increased,

Drop in Italy trade surplus

By Paul Betts in Rome

ITALY'S OVERALL balance of payments recorded a L382bn surplus (£210m) last month, according to Bank of Italy figures released yesterday. This is considerably lower than the L1,095bn surplus of July last year.

The sharp decline at a time of sizeable receipts from tourism reflects in large measure substantial international loan repayments of some L1,100bn.

However, the trade account is now coming under pressure because of increased prices of energy imports, which will cost Italy an additional L4,000m in the next 12 months. The monetary authorities are also concerned about the continuing acceleration in retail price inflation, currently about 15 per cent.

In contrast, the invisibles account is expected to be swelled by record tourist receipts this year which are estimated at a record L5,500bn to L7,000bn compared with L5,000bn in 1978.

In the first seven months of this year, the overall payments surplus totalled L1,867bn, compared with L3,234bn during the same period last year, a total which would clearly have been more substantial if international loan repayments are not taken into consideration.

The current figures are consistent with the country's expected payments trend this year, which is likely to see the remarkable L7,000bn overall surplus of 1978 more than halved.

Portuguese industrialist shot dead in ambush

By Jimmy Burns in Lisbon

A PORTUGUESE industrialist accused of organising a series of bomb attacks against left-wing targets in 1975, has been shot dead in an ambush in northern Portugal.

Police announced yesterday that Sr. Joaquim Ferreira Torres was killed in a machine-gun attack while driving alone near Oporto. Two passers-by found his body in his bullet-riddled car, but there were no witnesses to the actual killing.

While responsibility has not yet been claimed for the killing, Sr. Torres's death has generated considerable unease.

Yesterday's machine-gun attack, the first on a public figure in Portugal since the revolution five years ago, comes only weeks away from the General Election. The killing may be an isolated incident, but

there are fears of it being part of an extremist campaign.

Sr. Torres was one of the main accused among 16 members of an extreme right-wing organisation called the Democratic Movement for the Liberation of Portugal, which carried out bomb attacks on Socialist and Communist centres in northern Portugal and on Cuban and Angolan representative offices in Lisbon.

Five men were sentenced to heavy prison terms, but Sr. Torres's acquittal was declared null and void last April. He was to face a new trial by military tribunal later this year.

Sr. Torres was the owner of a leading textile company in northern Portugal, and had links industrial concerns in Spain. He was to have stood as a candidate in next year's municipal elections.

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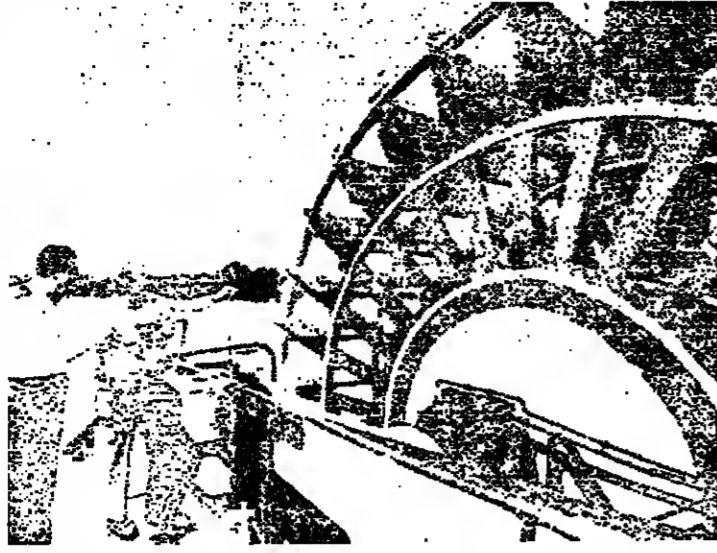
MENACE, MYTH OR MAGIC FORMULA?

see page 19

Carter gets boost in Iowa

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER seems to be making a strong showing in Iowa, the state that gave him his first nomination victory in the 1976 election campaign, with several planned and unplanned stop-offs in Iowa from the Delta Queen paddle boat.



President Jimmy Carter and his daughter, Amy, view the paddlewheel of the Delta Queen, on which the President is taking a week-long "working vacation." At left is Captain Fred Martio.

Mr. Carter told reporters travelling with him that he considered the unexpectedly heavy turnout of people at river levees and riverside towns "a non-partisan expression of support for the Presidency."

Mr. Carter's Iowa, whose state Democratic Party caucus will make its presidential selection next January, before the primary election season proper opens in other states, is a key to the President's budding political fortunes. A victory there again would at least blunt the threat of a "write-in" campaign by Senator Edward Kennedy in the Democratic presidential primary race in New Hampshire in February.

NY banks hit by wave of hold-ups

30 Storer Fleming in New York
A WAVE of bank robberies in New York this month is forcing hard-pressed law enforcement agencies to look for new ways of deterring the criminals.
Yesterday alone, five New York banks were robbed in robberies, and one teller was slain by a man who shot through a bank official who had already handed over money.
As a first step towards tackling the hold-ups, the New York police and the Federal Bureau of Investigation last week announced plans for random stake-outs of banks. They hope that a thief might be deterred if he knows he might walk into a bank containing armed police.
But critics say there are too few law enforcement officers, compared with the number of banks in the city, for the plan to work.
The decision was announced last week after a policeman was shot and killed by a robber fleeing a bank he had just robbed. The man was eventually caught, but the case had been confused by a robbery at another bank nearby.
There were over 50 bank hold-ups in New York in the first two weeks of this month, according to police figures. So far this year, there have been 570 bank robberies, compared with 628 over the year in 1978 and the record of 753 during 1977. Police expect the record to be beaten this year.
The increase in New York bank robberies is mirrored elsewhere in the U.S. In the first eight months of the fiscal year, beginning in October, 1978, there were 2,908 bank robberies, according to the FBI, compared with 2,718 in the same period last year.

U.S. envoy in talks on Caribbean aid

Mr. Phillip Habib, the U.S. Envoy, left Barbados yesterday for St. Lucia, after top-level talks with Government and Caribbean Development Bank officials. Reuter reports from Bridgetown, Barbados, Mr. Habib started a tour of the Caribbean last week amid concern in Washington over what some see as the growing influence of Cuba.

Nicaragua taking over Somoza's land

The land holdings of Gen. Anastasio Somoza, the deposed President of Nicaragua, and his associates, amounting to about 50 per cent of Nicaragua's cultivatable land will be completely expropriated by the end of the year, a member of the ruling junta has announced. Reuter reports from Managua. The State had already confiscated 137 companies owned by the Somoza family, as well as large tracts of land, he said.

Tomorrow's Telephones

Advertisement for a portable telephone. It features a picture of a telephone and lists various features: Fully portable, wireless, telephone, pocket size, rechargeable batteries, included, solid state reliability, answer calls anywhere, on outside, up to 300 ft, for home, office, factory, warehouse. It also mentions a combustion limited edition and provides contact information: Electronics Division, 88-98 College Road, Hurray HAT THE, Middlesex, 01 563 0626 Telex: 926213 (EXAD).

Sohio wants equity in pipeline

ANCHORAGE—Standard Oil of Ohio, BP's U.S. subsidiary, would want an equity interest in the Alaskan natural gas pipeline if it was to help finance its construction, said the chairman, Mr. Alton Whitehouse.
Mr. Whitehouse and other Sohio executives are in Alaska this week for a meeting of the Board of directors in Fairbanks on Thursday. They also plan to visit Prudhoe Bay and Valdez, the oil pipeline terminal.
The proposed 800-mile pipeline, which would follow the Alaska Highway, is expected to cost about \$12bn, and the companies involved in the project, headed by Northwest Energy, are having difficulty arranging financing.
Sohio, Exxon and Atlantic Richfield own the natural gas which will be transported by the pipeline.
Mr. Whitehouse said his company would also want to participate in the engineering, construction and start-up of the pipeline, adding that the other major producers would want to do the same.
"We would probably not be willing to participate on any other terms, and I doubt that the other producers would," he said.
The three producing companies last week met Dr. James Schlesinger, the outgoing Energy Secretary, to discuss possible participation in the Northwest Gas pipeline project, he said.
The meeting dealt with whether the Federal Government would waive certain aspects of antitrust laws, so that the companies could discuss possible financing arrangements for the pipeline.
Reuter

Welfare 'worsens plight of poor'

BY BRIJ KHINDARIA IN GENEVA
THE U.S. welfare system discourages people from improving their lives and finding jobs, and has worsened the plight of poor people, according to a study published by the International Labour Office (ILO).
However, one in every four American families would have had pre-tax incomes below the official poverty line in 1976, if it were not for policies designed to raise the incomes of the poorest people.
But the welfare programmes are usually ill-conceived and treat the symptoms of poverty rather than its causes. The main cause of poverty in the U.S. is the inability of the poor to find appropriate jobs, largely because they are unsuitably trained or lacking in skills.
This "dismally low" earning capacity has been worsened by the present welfare system. While substantial progress has been made in assuring minimum standards of food, housing, education and medical attention for the poorest people in the U.S. during the past decade, the welfare system should be reformed to make welfare recipients more capable of taking jobs.
Income transfer policies have had a "powerful, direct impact on reducing poverty, whether in the form of social insurance, such as Medicare for the aged, and income assistance, such as cash help for large families, or help in kind, such as food stamps.
The poorest people in the U.S. are usually large families headed by aged people, single people, and non-whites, the study says.

After a clean sweep of Hoover's men

BY NANCY DUNNE IN WASHINGTON

THE IMAGE of the clean-cut, incorruptible FBI man has undergone a radical change in the U.S. in the past decade. Since the death in 1972 of Mr. J. Edgar Hoover, director of the agency since its foundation, charges of illegal wiretappings, break-ins, mail openings, blackmail and widespread harassment of political dissidents have poured forth.
In 1965 polls found that 84 per cent of all Americans had a "highly favourable" view of the bureau. Ten years later the number of its enthusiastic supporters had dropped to 37 per cent. Now, as Congress is preparing to consider an FBI charter spelling out its authority, the bureau is still widely distrusted.
Mr. Hoover's immediate successor, Acting Director L. Patrick Gray, an attorney and political supporter of President Richard Nixon, brought the agency its first public disgrace. He vacillated in pursuing the investigation of the Watergate break-in and admitted during the Senate Watergate hearings that he had destroyed evidence at the suggestion of the White House. Mr. Nixon was forced to withdraw his nomination as director and, instead, appointed a colourful former police chief, Mr. Clarence Kelley, who kept most of Mr. Hoover's cronies in power but apparently ended the agency's illegal activities.
Mr. Hoover presided over the bureau for nearly half a century. The Senate, attempting to prevent further abuses of what Senator Robert Byrd called an "autocratic control unchecked by either executive or legislative oversight," passed a Bill, while approving Mr. Kelley's nomination limiting FBI directors to a single 10-year term of office.
To restore both bureau morale and public trust, the Justice Department indicted several agents, but charges and disciplinary actions were ultimately dropped by Mr. Griffin Bell, until recently Attorney General and Mr. William Webster, the current director.
Mr. Bell settled for announcing the prosecution, still to take place, of Mr. Gray and two other bureau officials on a charge of conspiracy to violate the civil rights of anti-war radicals by permitting illegal break-ins, wiretaps and mail openings. Mr.



Clarence Kelley, top, kept most of J. Edgar Hoover's cronies in power when he took over as FBI director. His successor, William Webster, below, made a clean sweep.

"The controversies in past years regarding particular actions of the bureau, such as those directed at Dr. Martin Luther King and various other persons and organisations, are to some degree attributable to this lack of statutory direction," President Carter said in presenting the proposed charter to Congress. But so far, the charter has only produced more controversy, which will intensify when it comes up for debate. Liberals want agency powers clearly defined and limited, while conservatives want a flexible enough to leave the bureau unfettered for the business of catching crooks.
It places extensive, but not absolute, restrictions on the use of informers, undercover agents, electronic surveillance and mail opening. The employment of undercover agents—including lawyers, doctors, journalists and clergymen—is endorsed, but their involvement in criminal conduct is restricted.
Civil libertarians are up in arms because the charter contains no explicit prohibition of activities designed to disrupt political groups.
The bureau has gradually been shifting its emphasis from street crime, bank robberies and kidnappings, which brought Mr. Hoover headlines and notoriety to the more complex task of ferreting out white-collar criminals. The new direction is recognised in the charter, which gives the FBI the power to demand access to private, confidential information like bank records, without first obtaining search warrants or grand jury subpoenas. This, the liberals say, is dangerous authority to grant an agency with such a record of abusing individual privacy.
Mr. Webster, who has quietly made a clean sweep of Hoover men in the agency, is prepared to fight for a retention of all provisions which "strike the proper balance." The legislation was introduced by Senator Edward Kennedy, chairman of the Senate Judiciary Committee, although he expressed reservations about some "troublesome provisions."
The Senate has been trying without success for some years to pass a badly-needed revision of the nation's criminal codes. Although an FBI charter is wanted by all sides, its passage may be just as tricky.

Iran to go ahead with Airbus order

By David White in Paris

THE SALE of six A300 Airbus to Iran is to go ahead as originally planned before the revolution, Airbus Industrie said here yesterday. However, Iran Air has cancelled an order for three Boeing 747s.
Doubts about the contract arose at the beginning of the year when Iran Air cancelled some of its options for other aircraft, returned two A300s which had on lease from the European joint venture.
The company said Iran Air had confirmed its six firm orders and three options, agreed in March last year.
At the time of the contract, Airbus Industrie agreed to lease two aircraft, due to be delivered when the first of Iran Air's own Airbus were delivered, in order to meet the airline's immediate needs.
However, the airline sent them back early in April this year. The aircraft had been grounded in Tehran for several months. The six Airbus on order are due to be delivered between early 1980 and 1983.
Reuter reports from Tehran that Iran Air has cancelled the purchase of three of the five Boeing 747s it had ordered. The airline's new managing-director Qassem Shabkibnia, told a Press conference that Boeing had agreed not to demand any compensation for the cancelled Jumbos.
He said Iran had tried to cancel the purchase of two other Jumbos but had changed its mind when Boeing demanded \$15m as a cancellation fee.
Flor Corporation said in California that it and Thyssen Rhein Stahl Technik had resumed construction at Iran's petroleum refinery near Isfahan, where work had been interrupted this year by the revolution.
Flor said the National Iranian Oil Company, owner of the refinery, recently paid the Flor Thyssen joint venture \$50m of accrued obligations to ensure resumption of construction.

UK finance for Thailand

THE MIDLAND BANK has arranged a loan of \$11.5m to help pay for the UK portion of a contract from Thai Airways International for two European A-300 Airbus. The deal is being underwritten by the Export Credits Guarantee Department.
This is the second ECGB guaranteed loan in support of an Airbus Industrie contract since the UK Government rejected the consortium on January 1. The first was for two A-300 jets for Brazil.
The loan now agreed represents 20 per cent of the credit finance for the contract, the bulk of the cash being supported by the export credit insurance organisations in France (COFACE) and West Germany (Hermes).

Brazil delivers first helicopter

By Diana Smith in Brasilia

HELBRAS, THE joint venture between Aerospacia of France and Cessna of the U.S., has delivered the first Brazilian assembled Ecureuil helicopter to the Brazilian Navy.
The Helbrás plant in Jurubá, Minas Gerais state, will shortly go into full operation, producing two helicopters a month. In due course, helicopter turbines will be assembled in Brazil by the Rolls-Royce-Turbomeca joint operation, initially using imported components but gradually raising the ratio of locally made materials.

Jaguar deal

The aviation subsidiary of M. L. Holdings—M. L. Aviation—has won an order worth more than £1.5m from the British Aerospace for the supply of weapon carriage and release equipment for use with Jaguar aircraft being produced in the UK for export. The order follows M. L.'s announcement in June of another order worth more than £1.5m from the West German Government.

Canada credit for China

Our Ottawa Correspondent ELEANOR CHRYSA officials yesterday signed an agreement with Canada's Export Development Corporation for a \$2bn five-year line of credits for future sales of goods in services from Canada. Officials would not reveal the terms of the financing "because of international competition." They would only say it was for long term loans and capital goods and services, particularly Canadian built industrial equipment.
Although the EDC is a Government owned agency, a spokesman stressed that no taxpayers' money was being used for the deal.

France asked by EEC to explain new textile 'visas'

BY OUR BRUSSELS CORRESPONDENT

THE EEC Commission has asked the French Government for a formal explanation of its new regulations requiring "entry visas" for imports of woollen goods from other community countries, in contravention of EEC free trade rules. A Commission spokesman said in Brussels yesterday.
Britain, Italy and West Germany have complained that the practice amounts to the introduction of import licences, despite French insistence that the so-called "visa" is merely a means of compiling statistics of a growing trend which is worrying French manufacturers. Imports of pullovers into France from Italy increased by 35 per cent in the first five months of this year.
The commission request for an explanation is the first step in a long process of consultation and compromise before a case can be brought before the European Court in Luxembourg.
The Commission spokesman said that if France wanted to exercise such a statistical control it could find a means of doing so without breaching the EEC Treaty of Rome. But it is expected that the French are likely to protest that the new regulation does not impose quantitative restrictions, on imports and so does not contravene the treaty.
Elaïne Williams adds: Accusations by British companies of two cases of dumping within the European Economic Community are to be investigated by the EEC Commission.
One case involves imports of saccharin from China, Japan and the U.S., the second concerns car stereo cassette heads from Japan.
Investigations into the dumping of saccharin have begun mainly at the request of Boots, Britain's sole manufacturer of industrial saccharin, which is used in the food and drink industry.
A spokesman for Boots said yesterday: "We have produced evidence for the Commission which shows that imports are being sold at below our manufacturing price and, we believe, the importers' manufacturing price." This constitutes dumping.
The second case has been called by Magnetics Components, a Falmouth-based subsidiary of Plantation Holdings. Magnetics Components claims that cheap Japanese imports of car stereo cassette heads are being bought by Italian and German manufacturers of cassette systems and are undermining its EEC export business.
Only a month ago Mr. John Knott, Secretary of State for Trade, visited Brussels and asked the Commission to give greater consideration to regional problems. Falmouth, where Magnetics Components is based, is a special development area, and the effect of dumping on this company could be detrimental to the area as well as the company.

World tourism increases by 7%

BY JOHN WICKS IN ZURICH

THE NUMBER of tourist journeys taken last year was 282m, a rise of 7 per cent on 1977 figure, according to the Organisation for Economic Co-operation and Development (OECD).
Excerpts from the OECD's annual tourism report, to be published next month, have been released here by the Swiss Tourism Federation.
The report says that 178m visits or 68 per cent of the world total, were to OECD countries, including Yugoslavia.
In 1978, tourist earnings in OECD countries are reported to have risen by an average 5.6 per cent. However, tourist expenditure fell by 1.5 per cent in the UK and by 1.2 per cent in Spain and 16.7 per cent in Japan. Although a fall in tourist expenditure was reported for Spain, the number of entries across the frontier actually rose by 16.6 per cent in 1978.
A number of OECD members reported a decline in international tourism last year. In Belgium the total number of overnight stays fell by 8 per cent after drops of 1.6 per cent in 1976 and 3.7 per cent in 1977 and in Holland there was a decline of 5.1 per cent in overnight stays.
Visits by foreign tourists also fell in 1978 in terms of total overnight stays by 1.2 per cent in Denmark and 1.5 per cent in Switzerland, by 3.7 per cent in Norway and in terms of border-crossings, by one per cent in Turkey.
The biggest increases in international tourism last year were recorded by Portugal, whose total overnight stays rose by 22.5 per cent over a jump of over 37 per cent in 1977, and Yugoslavia, where there was a rise of over one-fifth in overnight stays.

Import curbs in Malta expected

BY GODFREY GRIMA IN VALETTA

A FRESH round of import restrictions aimed at narrowing Malta's visible trade gap is expected to be launched shortly by Premier Dom Mintoff's Administration.
Importers of various commodities including soft drink concentrates, pharmaceutical goods, tea, rice, tinned meat and fish, cheese and coffee are being called in daily to meetings with trade minister Dr. Patrick Holland and being asked to play a part in bringing down the island's imports bill. Importers are also being asked to advise the government on how this can be achieved without shortening development.
Last week the heads of the island's five leading soft drinks bottling companies were told by Dr. Holland that the Government favoured the production of a new orange-based beverage in preference to the number of existing "synthetic" drinks.
Dr. Holland added that a friendly African country had offered to provide the basic ingredient for the new beverage.
The bottlers, who produce such international beverages as Coca Cola, Pepsi, Seven Up and Canada Dry products, were asked to submit their views to the government in writing within a few days.
Other than employing 2,000 people, Malta's soft drinks industry services a highly successful tourist industry and is a major client for the Government-controlled radio and television stations.
Last week importers of pharmaceutical goods were also informed of the Government's policies by Dr. Holland. They were urged to cut imports immediately.
On Monday it was the turn of importers of tea, rice and tinned meat and fish. They were similarly told that the Government wanted to cut down imports and they were urged to report in writing how this could be done without the consumer suffering too much.
A separate meeting was held at the Ministry of Finance for sugar importers and yesterday it was importers of cheese who met Dr. Holland.

Manila resumes power project

BY DANIEL NELSON IN MANILA

WESTINGHOUSE confirmed yesterday that it has been instructed to resume work on the non-nuclear part of the \$1.1bn nuclear plant in the Philippines.
The resumption was ordered by President Ferdinand Marcos in a letter dated August 8 to the Minister of Energy and the chairman of the National Power Corporation (NPC). The president was acting on a recommendation of the commission of inquiry which he set up to review the project in June, at the same time as he ordered all work to cease.
A Westinghouse spokesman said the order affects about half of the 2,000 workforce. The NPC estimates that it has spent \$420m on the project and has lost a further \$60m since the suspension of construction.
Three other developments appear to have increased the likelihood of the project being pushed through. The U.S. Nuclear Regulatory Commission has given the go ahead for the export of the auxiliary waste storage tanks, the ban on which caused construction delays in January. The tanks are expected to arrive on September 12.
Second, president Jimmy Carter has written to Mr. Robert Kirby, the Westinghouse chairman, saying he would do everything possible to ensure that the licensing procedure was not unduly delayed but that some safety aspects would have to be solved by the Philippine Government. This softens an earlier comment by U.S. Secretary of State Mr. Cyrus Vance that the decision on safety factors would be made by Washington.
Third, five U.S. scientists are flying to Manila to advise the commission of enquiry on the analysis of the evidence it has collected, a move which would give credibility in Washington to the Commission's decision.

Norsk Hydro to set up U.S. plant

BY FAY GJESTER IN OSLO

NORSK HYDRO, the Norwegian chemical, oil and light-metals concern, is to establish an aluminium fabricating plant in Florida, and is currently forming a new U.S. company, Norsk Hydro Aluminium, to manufacture and market its products.
Announcing this in Oslo, Hydro said the plant, scheduled to start up in summer, 1980, will make aluminium precision-drawn tubes and quality extruded aluminium shapes. In addition, it will sell sheet, coil and other aluminium products made by Norsk Hydro's various European plants.
Norsk Hydro currently produces 120,000 tonnes of aluminium a year in Norway and is planning to expand primary aluminium capacity by up to 47,000 tonnes annually.
It makes extruded products in seven countries in Europe, and its tube and extrusion plant in Denmark is already a major supplier of precision-drawn tube to European car manufacturers.
The new facility in Florida will aim particularly at satisfying the expected demand for precision-drawn aluminium tubes for the car industry. It will also aim to supply the local market for quality extruded shapes.
Norsk Hydro has been established in the U.S. for 30 years, with a sales office in New York. The Florida company will, however, be a wholly owned U.S. production subsidiary.

Turkey 'to shift trade emphasis'

ANKARA—Turkey is abating the emphasis of its trade policy away from its traditional Western trading partners and towards its regional neighbours, Africa and East Europe, Trade Minister Teoman Koprululer said yesterday.
He said the Government of Premier Bulent Ecevit was also developing economic relations with fellow Islamic countries. He added that Turkey, one of the countries worst affected by the soaring cost of oil, was spending all its export earnings to import crude.
"Our priority is to widen the scope of our trade relations, in take in neighbouring and African countries, and also Islamic nations, because the potential of these markets has not been developed."
"As a result of this policy, trade with, for example, Libya, Iraq, Syria, Tunisia and Jordan, as well as the Soviet Union, Romania and Bulgaria has been expanded," the Minister said.
"It is also necessary to take into account that most of these countries sell oil to Turkey."
"We also feel Turkey should benefit from its industrial potential by exporting services and not just commodities." In Libya, Syria, Iraq and Saudi Arabia at the moment Turkish companies are tendering for contracts," Mr. Koprululer said.
"All this does not mean we are cutting down trade with the West. It is remaining at a steady level but we cannot sell our services and technology to the West."
Reuter

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Members split over Sasse losses

BY JOHN MOORE

A MAJOR RIFT has opened between some members of the stricken Sasse underwriting syndicate and Mr. Stephen Merrett, its manager.

A private meeting of the 110 members of the syndicate, which is facing £30.2m losses, is planned for August 31 at Lloyd's Library. The meeting has been organised by an action group, headed by Mr. Joe Benjamin and Mr. Murrey Gordon, chairman of Combined English Stores, who are both members of the syndicate.

Mr. Merrett has not been invited to the meeting. Nor have other agents who have been responsible for managing members' affairs.

Mr. Merrett, of Merrett Dixey Syndicates, took over management of the syndicate from Mr. Frederick Sasse at the request of Lloyd's when Sasse ran into trouble last year.

Since then, he has arranged a £7m letter of credit with Lloyd's to help the syndicate meet its losses, and has arranged other aid. The latest is a reinsurance programme to cover members of the syndicate against any deterioration of losses on the 1976 underwriting account.

Reinsurance

Mr. Benjamin and Mr. Gordon went to the reinsurance cover to include the 1977 underwriting year, and have urged Mr. Ian Findlay, chairman of Lloyd's, to intervene.

The two syndicate members have asked Mr. Merrett to stop the reinsurance programme until the matter has been reconsidered by syndicate members, but Mr. Merrett has refused.

Mr. Benjamin and Mr. Gordon are planning to form a co-ordinating committee which could have the backing of 30 members of the syndicate.

The action group has asked syndicate members not to provide any further securities, cash or any other declaration of means necessary to complete the Sasse audit, which is already long overdue, until after the meeting at Lloyd's on August 31.

Mr. Benjamin said yesterday that several members had been concerned at the two events whereby the syndicate's losses had deteriorated from £13.6m to £30.2m.

The action group did not wish to imply "that they do not have confidence in Stephen Merrett's ability" but a meeting was necessary to reconsider the position.

Two building societies plan £78m merger

By Andrew Taylor

THE NEWCASTLE Permanent and St. Andrew's building societies plan to merge at the end of October.

Newcastle Permanent, the larger society, is to take over the running of St. Andrew's, whose staff will be absorbed into the Newcastle. The societies have combined assets of £78m which are expected to be increased to £90m by the end of this year.

Both societies are based in the North-East, and Mr. Tom Bathurst, general manager of Newcastle Permanent, said that the merger would lead to a more efficient operation.

The merger is subject to a special general meeting of St. Andrew's shareholders. Last week, London Goldhawk and South of England building societies, which have combined assets of £370m, announced plans to merge next year.

Form-filling burden review by consultants

MR. JOHN NOTT, Trade Secretary, has engaged outside consultants to assist in a review of the burden on businesses, particularly small ones, of filling in administrative forms issued by the Department of Trade.

Peat, Marwick, Mitchell, in association with Economists Advisory Group, will spend two months analysing the 500 or so administrative forms issued by the department, and consulting their users to see whether the number and complexity can be reduced.

The forms relate primarily to the companies, insurance, insolvency, patent and import licensing fields, and many stem from statutory obligations. The consultants will report to Mr. Nott in the autumn.

Cash boost for students

STUDENTS over 18 who have a local education authority grant and who open a cheque account with Barclays Bank can now apply for a Barclaycard, the bank announced yesterday.

It is usually they were not considered for a card until six months after opening an account.

Electricity spending to rise by 9.6%

BY ROY HODSON

SPENDING BY the electricity industry in England and Wales is to be allowed to rise by 9.6 per cent in the current financial year to provide new power stations and distribution plant.

Mr. David Howell, the Energy Secretary, has approved a 1979-80 budget for the Central Electricity Generating Board and three electricity boards in England and Wales of £784.9m.

The CEGB will spend £574.3m of the total allocation on new generating equipment and associated plant. The industry in England and Wales spent £716m last year.

The Government recently asked the industry in England and Wales to reduce its cash limit by £90m as part of the cuts in nationalised industries spending.

Sir Francis Tums, chairman of the Electricity Council, has proposed that the Government institute a five-year target of financial performance for the

electricity industry against which other issues can be agreed and cash limits considered.

The Minister's annual report on electricity, published yesterday shows that during the financial year 1978-79 the Government advanced £500m to the Electricity Council to replace foreign loans repaid prematurely.

Of the advances, £368m is to be treated as maturity loans repayable within five years with interest payable at six-monthly intervals. The balance of £132m is to be repaid by 10 equal half-yearly instalments of principal with interest on the reducing balance.

The Electricity Council was given consent to borrow up to £510m, of which the equivalent of £10m might be in other foreign currencies. The council was also given permission to borrow £101m from the European Investment Bank towards financing the pumped storage

scheme at Dinorwic, North Wales, and some area board projects.

Temporary borrowings from the National Loans Fund advanced to the Electricity Council last year totalled £225m. The council had permission to borrow temporarily during the year up to a limit of £419m from all sources.

The Electricity Council recently announced a profit of £251.4m after interest for 1978-79 compared with £132.5m the previous year. That was arrived at after deducting a supplementary depreciation provision of £189m.

However, a special statement prepared by the Electricity Council upon current cost accounting principles showed a loss of £166m after interest on that basis.

Electricity: Report of Secretary of State for Energy. HMSO 50p

Pioneer Mutual cuts industrial branch life policy bonuses

BY ERIC SHORT

THE LIVERPOOL-BASED insurance company, Pioneer Mutual, has cut its reversionary bonus rate for 1978 on industrial branch life policies. It is to review its life assurance operations, placing greater emphasis on the unit-linked side. This is revealed in the company's report and accounts for 1978.

Pioneer Mutual was established in 1974 with the merger of two companies in the old Slater Walker organisation—Pioneer Life, and Blackburn Assurance—and a third, Stamford Mutual, the resulting company being a mutual company with no equity shareholders. All three were home service companies operating through agents selling at policyholders' homes.

The company has found its expenses in the industrial branch have been rising steadily as a proportion of new premium income. The cost of collecting small weekly premiums on these policies is very vulnerable

to inflation. These rising expenses can only be met from investment income and this reduces the amount available to pay the bonus on these life policies.

With a mutual life company, all the profits on the business are returned to with-profit shareholders in the form of bonuses.

No life company has cut its bonus rate since the war on ordinary branch life policies—where the life company collects premiums by sending renewal notices. Mr. Harry Clarke, managing director of Pioneer, claims some industrial branch bonuses have been cut or passed since the war, but could not quote circumstances. The Industrial Life Officers Association could not recall a bonus being cut, and no major industrial life company has done so.

For 1978 Pioneer has declared a bonus rate of £2 per cent of the basic benefit, a cut from £2.50 declared for 1977. The company believes that this rate

can be maintained in future. Even the major home service life companies, such as Prudential Assurance, have experienced expense pressure on their industrial branch bonus rates. Although these rates have not been cut, they have lagged behind the improvement in ordinary branch bonuses.

Pioneer Mutual's reorganisation plans involve keeping industrial branch business at current premium levels, and concentrating on ordinary branch business, especially the unit-linked contracts. New annual premiums in this branch rose by 69 per cent last year.

Mr. Clarke said yesterday there was a five year plan involving branch closures and staff reductions. The company had negotiated the details of the plan in discussions with the Association of Scientific, Technical and Managerial Staffs. But it appears one or two district managers were disturbed by the terms of the agreement.

Laws 'may hit Press freedom'

BY MAX WILKINSON

NEW LAWS on the standards and ethics of journalism would almost certainly damage the freedom of the Press, says Lord Shawcross, retiring chairman of the Press Council.

Unless the Press Council continues to be vigorously involved in protecting the freedom of the Press, laws would be enacted to fill its place, he says in the council's annual report.

"Legal intervention is a possibility constantly to be fought," "It is seriously put forward as part of the official policy of the Labour Party that a system of 'democratic accountability' should be established: whatever that may mean, it is certain that it will not be democratic in the sense in which the word was understood before it became part of the Left-wing's 'double-speak' vocabulary," says Lord Shawcross.

To guard against this possibility, he urges editors to strive to maintain a high standard of ethics to avoid giving an excuse to those who wish to use the law to interfere with the Press.

Lord Shawcross is retiring after four years as chairman of the council. He says that in the 25 years since it was established, the standard of newspapers has shown a marked improvement. The standard of accuracy in reporting news is high, he says, and bias in reporting or commenting on political events is much less than it was.

He believes the Press Council has contributed to this improvement. But he says there are four fields in which there has probably not been any improvement—sensationalism, sex, violence, and trivia.

Lord Shawcross believes that trivia, in particular, is still rampant. He condemns the writings of some of the gossip columnists. In this respect, the Press Council has limited influence, because it cannot be an arbiter of taste or influence the prevailing morality of society, he says.

In future the Press Council may have to watch the activities of print unions, whose unofficial disruptions have constituted a threat to the freedom of the Press. He says there is evidence of "systemic sabotage" by some unionists, and disruption which may not be merely industrial issues as its motivation.

The report shows that the Press Council judged 68 cases compared with 79 the previous year, and that 44 per cent of cases were upheld.

● The Press and the People (Press Council £1).

Fluorspar cutbacks to cost 70 jobs

BY PAUL CHEESRIGHT

THE INTERNATIONAL steel recession has checked the British Steel Corporation's expansion of fluorspar mining in the Northern Pennines. Seventy jobs will be lost in cutbacks at two of the corporation's four mines, as part of its general trimming of expenditure.

About £1m a year is expected to be saved. Fluorspar is used as a fluxing element in steel-making and other metal production, and so the mines are an adjunct to the corporation's main operations.

They are between Hexham and Stanhope, straddling the Northumberland-Durham border, in one of north-west Europe's two significant fluorspar mining areas. The other is in Derbyshire.

The cutbacks take place at Beaumont, Allenheads, where development work on a new mine will be suspended, and at Whiteheaps, near Blanchland, where production will stop. The Whiteheaps mine's mill will continue working until the middle of next year.

At that time a new £5m plant at the Blackdene mine near St. John's will come on stream. Mine operations at Blackdene are unaffected and work will continue at the Groverake mine, the largest of the three present fluorspar producers.

Customers

The three mines have been producing 1,600 tonnes of fluorspar a week, of which about 300 tonnes has come from Whiteheaps. Some 15 kg of fluorspar are used for every tonne of steel produced.

The mine's main customers are BSC's Scunthorpe, Sheffield, Welsh and Scottish divisions. Some supplies go to private steelmakers.

The new Blackdene plant will produce additional acid grade fluorspar which can be used in the paint and ceramics industries. The corporation hopes this will offset the falling demand for the metallurgical fluorspar taken up by the steel industry.

In Derbyshire the industry is based on Dresser Industries of Texas, whose output is sold through Kaiser Trading, a subsidiary of Kaiser Aluminium.

Dresser said yesterday that its sales were holding up well, and its expansion plans, the subject of planning controversy last year, were proceeding on schedule.

Motorists not trying to save fuel

By James McDonald

MANY MOTORISTS are ignoring the fuel-saving campaign, according to a survey carried out by the Automobile Association's magazine, Drive.

The national survey showed that one-third of motorists questioned believe that recent petrol shortages have been artificial and deliberately inflationary.

"Until it is proved otherwise to them, they are unlikely to make any real effort to use less fuel for the common good," says the survey.

It was found that 70 per cent of car drivers were not following advice to have cars regularly tuned to improve fuel consumption. More than 50 per cent of drivers said they would avoid public transport, describing it as "too expensive, unreliable, inconvenient and time wasting."

Nearly 20 per cent said they would not heed the Department of Energy's call for a 5 per cent reduction in fuel consumption. The survey also found reluctance to join car-sharing syndicates, either to go to work or to go shopping. Only one motorist in three thought this a good idea.

In the credit side, the survey shows that some motorists are trying to save petrol, some by driving more slowly, others by using their cars less frequently.

Nearly half the drivers questioned said they would probably buy smaller, more economical cars.

London Brick faces more health fears

FURTHER assurances are being sought from London Brick about possible health hazards resulting from the company's plan to build two brickworks in Bedfordshire and one in Cambridgeshire at a cost of £75m.

The company has been invited to a public meeting in Whittlesey, Cambridgeshire, to discuss local fears about its plans to build a £15m brickworks near the town.

A Bedfordshire section group has already called for a Government inquiry to investigate possible health hazards from the two proposed brickworks for the county.

Universities told to cut 1980 intake by 6%

BY MAX WILKINSON

UNIVERSITY vice-chancellors are to seek urgent talks with the Government to discuss a warning that they must plan for a 6 per cent cut in admissions next autumn.

The warning, issued by the University Grants Committee, is a direct consequence of Government plans to cut public expenditure, probably by as much as 7.5 per cent below the last Government's projections for 1980-81.

Dr. Edward Parkes, chairman of the University Grants Committee, has written to university vice-chancellors saying they should restrict undergraduate entries in 1980 to 6 per cent below the number expected to be given places this year.

The UGC has no direct authority to determine admissions policy of the 44 universities, but is responsible for distributing grants which provide three-quarters of the universities' income.

The warning means that universities which take in more students than led down in the overall plan face a grants cut.

Polytechnics and other higher education institutions administered by the local authorities are likely to face a similar squeeze.

However non-university institutions are not subject to the national body comparable to the

UGC, so the mechanics of applying a squeeze will be more complicated.

The Government's rate support grant is expected to be reduced in such a way that local authorities will be encouraged to curb the growth of the institutions.

However, the Department of Education and Science's overall policy will not be made explicit until the autumn when a White Paper is expected.

Universities have been expanding continuously, though at varying rates, since the war.

For the last two decades, all Governments have implicitly upheld the principle set out by the Royal Commission on Higher Education under Lord Robbins that higher education should be available for all "suitably qualified" sixth formers who desired it.

As the number of 18-year-olds is increasing year by year, the 6 per cent cut in 1980 would represent a cut of 10 per cent relative to the total number of 18-year-olds in that year.

Mr. Laurie Sapper, general secretary of the Association of University Teachers, said yesterday: "The implications are very serious. It does appear that the Robbins principle is being abandoned."

The UGC's argument appears to be that a 6 per cent intake cut will be needed just to hold the population of university undergraduates at its present level, because admissions have been rising at about 3 per cent a year.

The increasing numbers of students admitted each year will, on average, stay at university for three years.

To hold the total undergraduate population at the 1978 figure of 285,000 would therefore require a cut in entries for 1980.

The impact of the cut on different universities is likely to vary considerably, depending on recent expansion rates and capital expenditure.

The cuts will clearly increase competition for university places in 1980, particularly among women, whose applications have been increasing faster than men. Last year 11 per cent more women applied for university, compared with an increase of only 3.6 per cent for men.

Applicants in the less popular subjects, such as natural science, German and Russian, should have little difficulty in obtaining places.

The tightest squeeze will be felt in the most popular subjects—law, business studies, accountancy, English, history and the social sciences.

Whitehall to review road plans

FINANCIAL TIMES REPORTER

THE DEPARTMENT of Transport intends to publish a White Paper by December reviewing all the Labour Government's trunk road development schemes.

Mr. Norman Fowler, the Transport Minister, has instructed his civil servants to re-examine the controversial Archway Road widening scheme in north London, which was abandoned by the last government.

Among others they will look at the construction of the London Docklands road network, the Liverpool inner ring road and the M25 London orbital motorway.

The June Budget did not affect trunk road spending, but the Treasury has yet to decide how the second round of public expenditure cuts will affect transport," the Department of

Transport said yesterday. "In the light of this, the roads programme will be revised in detail. Road schemes for this is one planned construction will be given in the White Paper."

Official decisions on the new programme are likely to await the appeal, expected in November, to the House of Lords over the M42 motorway, after Lord Denning's judgment upholding

the provisions of the Transport Act 1962. The Government decides to abandon the Archway Road scheme for this is one option Mr. Fowler will be considering after the GLC's recent cooling-down in support for the development. There would still be another public inquiry to be held. The Minister's line order, made in 1975, establishing his power to widen the road.

Call for country leisure plan

PEOPLE involved with the countryside and recreation should start planning now if they are to meet the demands of the increasing numbers of visitors from towns and cities, says Lord Winstanley, chairman of the Countryside Commission.

A survey carried out for the commission by National Opinion Polls found that more than three-quarters of the population of England and Wales—37m people—enjoy a day in the country at least once a year.

Leisure and the Countryside, published by the Countryside Commission.

OTHER MEN'S JOBS: ERIC SHORT ON BELL FOUNDERS

Knell for a vanishing breed

HAVING ONE'S product featured nightly on television for free is a PR man's dream. But when your product is Big Ben, which heralds ITV's News at Ten, viewer response is not exactly shattering.

But Bill Hughes, who with his brother Douglas and son Alan are the present Master Founders at Whitechapel Bell Foundry, where Big Ben was cast in 1858, takes this lack of appreciation in his stride. After all, some very famous bells have been cast during the 400 years the foundry has been at Whitechapel—including those at Westminster Abbey.

One of the most famous must be the Liberty Bell which proclaimed America's independence on July 4, 1776. This bell was cast in 1752 by Thomas Lester, then Master Founder.

More than 200 years later, Bill Hughes cast the Bicentennial Bell in 1976, Britain's gift to the U.S. to mark the bicentenary of independence.

Bell casting is a flourishing craft in the Middle Ages, the bell being one of the oldest ornaments possessed by a church. There were foundries in most cathedral cities and other main towns.

In the City of London, the foundries were situated in Aldgate at its Eastern end. The present Billiter Street is derived from Bell-yetere—old English for bell foundry.

The Whitechapel business is traditionally held to have been started about 1570 by Robert Mot, though the list of Master Founders can be traced back to a Robert Chamberlain of Aldgate in 1420.

In 1583, Robert Mot, unable to expand premises at Aldgate, moved the foundry outside the City to Whitechapel. Two of Robert Mot's bells cast in 1583 and 1598 still hang in Westminster Abbey.

The final move to the present site in Whitechapel Road took place in 1736.

The Whitechapel Foundry has always been a family-run business. Arthur Hughes, Bill's grandfather, started at the foundry in 1824 and bought the business in 1904.

But bell casting is a declining trade and Bill Hughes and his family are virtually the last of a vanishing breed of craftsmen. From over 20 foundries in the middle of the last century, there are just two left in the country—Whitechapel and John Taylor and Company, Bellfounders, in Loughborough. The latter is a comparative newcomer, established in 1999.

The method of casting bells has not changed much with time. The shaping of the inner and outer flutes, made chiefly with London clay, is



Bill Hughes, Whitechapel Master Founder, tests the sound of a consignment of bells for the U.S.

ago. The same composite alloy is used to make bell metal—77 per cent copper and 23 per cent tin—but now the foundry has an electric furnace to melt the metal.

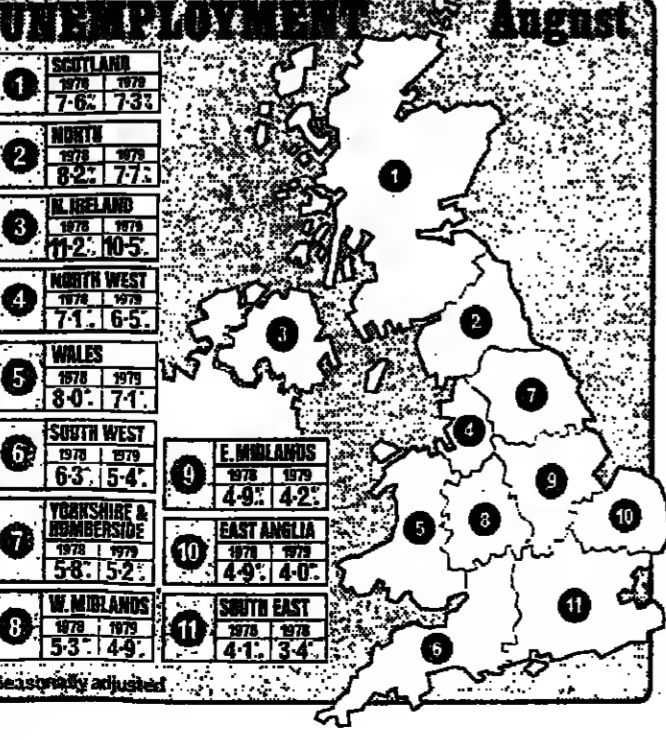
But Bill Hughes' work has changed since the war. The Master Founder of yore was closely involved in casting 61, spanning five octaves. Handbell ringing is enjoying a revival in the UK and especially in the U.S. where over 75 per cent of Whitechapel handbells are exported.

It is said that a true Cockney is born within the sound of Bow Bells—the bells of St. Mary-le-Bow in Cheapside in the City. Albert Hughes, Bill's father, must be a special cockney. Not only was he born in the house adjoining the foundry, from which—before the advent of the massive office blocks Bow Bells could be clearly heard, but he was the Master Founder responsible for the rebalancing of the bells themselves.

For nearly 150 years the foundry has been involved in more than 100 years

Unemployment drops by 9.1%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT



REGIONAL differences in unemployment have widened over the last year, reflecting differences in the pattern of economic activity throughout the UK.

Adult unemployment has fallen by 9.1 per cent in the last 12 months, but there have been above average declines in the south and the East Midlands. The falls have been 15.1 per cent in south-east England, 14.5 per cent in East Anglia, 12.6 per cent in south-west England and 11.3 per cent in the East Midlands.

In contrast, unemployment has fallen only by 1.5 per cent during the year in Scotland, by 2.9 per cent in Northern Ireland and by 4.1 per cent in northern England.

There has also been a marked contrast between the experience of men and women. Male unemployment has fallen by 11 per cent over the year to 339,000, while the number of women out of work has dropped by only 4.6 per cent to just under 385,000.

هكذا من النصح

Post Office supervisory staff urged to accept new pay offer

BY GARETH GRIFFITHS, LABOUR STAFF

SUPERVISORY AND technical staff at the Post Office, who have been involved in a 19-week industrial dispute, were recommended by their union's national executive yesterday to accept a new pay deal.

The Society of Civil and Public Servants executive made the recommendation after a two day meeting. The society's 6,000 members in the Post Office will vote on the offer by the end of the month. They earlier turned down a 17 to 20 per cent offer.

A society official said yesterday the new offer secured internal relativity payments and would mean further pay increases of between 5 and 7 per cent from April, 1980, on top of the previous offer.

The original proposals, which still stand, provide for basic rate increases of 9 per cent, with 5-7 per cent for grade restructuring, 2 per cent for productivity and 24 per cent for changing the settlement date.

Telephone bills have not been sent out because of a 19 week strike by 8 key staff at computer centres in Leeds and Harmondsworth. The rest of the society's members in the Post Office have remained at work. Losses caused by the strike have been estimated by the Post Office at £90m.

The Civil and Public Services Association accepted a pay deal worth on average 16 per cent on Monday. But the 36,000 staff covered by its arrangement will not be able to resume normal working until the society has made its decision.

The Post Office will not be able to start work on the telephone bills backlog until it has completed negotiations on dealing with the backlog with the unions. Union officials think it will be five weeks before an agreement is reached and that the backlog will not be cleared until early next year.

Overtime ban call at opencast coal sites

By Nick Garnett, Labour Staff

DELEGATES OF workers on National Coal Board opencast sites are recommending an immediate overtime ban following the decision by employers yesterday not to improve on the national offer for building and civil engineering workers.

Union officials said the overtime ban by the opencast workforce, employed by civil engineering companies contracted by the NCB, would be highly damaging for the Board and for the economy.

The opencast workers, most of whom are in the Transport and General Workers Union, are seeking substantial improvements, including changes in the special allowance for opencast coal sites and an increase in shift differentials.

Pay and conditions for the 8,000 opencast workers are fixed by the national building and civil engineering settlement with a provision for separate negotiations with opencast contractors.

Profitable

Opencast workers, who struck for one day on the same pay issue earlier this month, argue that contract work for the NCB has proved far more profitable for the companies than general building and civil engineering and that this should be more fully reflected in pay rates.

Employer representatives on the civil engineering construction conciliation board told the unions yesterday that the profits on opencast coal went to the NCB and not to contractors. They said they would report the unions' position to the Federation of Civil Engineering Contractors with a view to a further meeting with the unions next month.

Closed shop row

MR. JOE THOMPSON, who lost his union card and his job 13 years after contravening a closed shop rule operated by the National Union of Dyers, Bleachers and Textile Workers, is to take a new job at a Yorkshire textile mill. He was given back his union card following a decision by the Independent Review Committee.

APPOINTMENTS

Newman ceramics executive

Mr. John F. Scouting has been appointed chief executive for the ceramics division of the NEWMAN INDUSTRIES group and chairman of the principal divisional company, Grindley of Stoke (Ceramics). He joins Newman Industries from the GEC Group, where he was responsible for group marketing and overseas development.

Sir John Brown is to become chairman of ASSAM TRADING (HOLDINGS) after the next annual meeting. He will succeed Sir Oswald Jenkins, who will retire as chairman but remain on the Board.

Mr. Philip M. Wilson, senior vice-president of BANKERS TRUST COMPANY is to head its newly formed marketing group. He was previously responsible for the bank's international business in North America.

Mr. John J. Costinick has been appointed agricultural chemicals vice-president of ESSOCHEM EUROPE INC, the Brussels-based company co-ordinating Exxon Corporation's chemicals activities in Europe, Africa and the Middle East. He succeeds Mr. Morley G. Handford, who has returned to Canada to a senior management post with Imperial Oil Company.

Hydron Europe, a division of National Patent Development Corporation, has appointed Mr. Manfred Dapper as vice-president, new market development, with AMERICAN HYDRON, its U.S. member company.

Mr. Mike Smith has been appointed managing director of Tarmac Homes South Yorkshire in place of Mr. Roy Turner, who

ITV lock-out brings little hope of peace

BY OUR LABOUR STAFF

THE independent television companies are today locking out members of the National Association of Theatrical, Television and Kine Employees and the Electrical and Plumbing Trades Union.

Television company officials believe the lock-out is necessary to clarify the dispute, but last night, there was little hope it would act as a catalyst towards a settlement.

The lock-out has been postponed twice, and affects 7,500 people. The other union involved, the Association of Cinematograph, Television and Allied Technicians, with 6,000 ITV members, has been on strike for 12 days.

The ITV move came as Mr. Jack Wilson, NATKE general secretary, said that a strike ballot of its 7,000 ITV members had failed to produce the two-thirds majority needed to call a strike.

Mr. Ronald Carrington, labour relations advisor to the

independent television companies, yesterday described the stoppage as the worst in the history of the network.

He said the companies were standing firm by their offer of 16 1/2 per cent. This was worth an increase of £1,200 per year, with average wages in the industry of £8,000 per year.

The dispute was still deadlocked, and members of other unions not in dispute might eventually have to be laid off if the blackout continued for a long time.

Harlech Television, which has been off the air since the first week of August, said the blackout had so far cost it £740,000, with a loss of revenue of £60,000 a day.

There was some confusion yesterday over the size of productivity payments made to ITV staff in April. The companies put the figure at between 9 per cent and 15 per cent. But Mr. Aalan Sapper, ACTT general secretary, said the deals were worth 7 to 11 per cent.

Strike threatens closure of magistrates courts

FINANCIAL TIMES REPORTER

MAGISTRATES' COURTS in inner London are expected to be virtually closed next week when 600 clerical and administrative staff strike in support of a 20 to 30 per cent pay claim. The strike will start on August Bank Holiday Monday at three courts opened to deal with weekend offences and will be extended to the remaining 15 courts on Tuesday. The Society of Civil and Public Servants and the Civil and Public Services Association are prepared to finance a long dispute.

Talks between the unions and the employing body, the Committee of London Magistrates, are planned tomorrow. Senior Home Office officials will be present as observers. The unions expect the strike to go ahead and have drawn up administrative arrangements.

The magistrates' committee has offered London staff a similar deal to the offer for 6,000 provincial court staff. It is 9.4 per cent and a reference to the Clegg Commission on comparability, the findings to

be implemented in January 1980.

Both unions have said a reference to Clegg is inappropriate and it could be September 1980 before any money based on the findings is paid.

They want 9 per cent plus £1 a week to be paid from July 1, a further 5 per cent from October and the remainder, ranging from 8 to 15 per cent from March, 1980. They also want pay to be linked to findings by the Civil Service pay research unit.

Mr. Alistair Graham, deputy general secretary of the CPSA, said the strike would mean the courts would grind to a halt by the end of the week. Summonses would not be sent out, fines not collected, juvenile and care proceedings would be affected, the legal aid system not administered and maintenance payments not dealt with. Case referrals to higher courts will be hampered.

Home Office officials said last night the Courts would be able to maintain an emergency service.

Jobs and investment may be jeopardised but both sides remain entrenched

BY NICK GARNETT, LABOUR STAFF

HOURLY-PAID workers at Chrysler UK's Coventry production plants came out on strike almost two months ago in spite of the apparent understanding of shop stewards and the workforce that a protracted dispute could jeopardise future investment and existing jobs.

The outcome of the dispute and the speed with which it is settled could have wide implications for the future of Chrysler UK and vehicle manufacturing in Britain.

Since the start of strikes at the Ryton assembly plant and the Stoke engine plant, all Chrysler UK production of Talbot cars has been halted. Neither side has shown any willingness to abandon entrenched negotiating positions.

The 2,000 workers at Ryton and the 3,100 at Stoke went on strike in a pay dispute over the company's basic rate offer of 5 1/2 per cent and a new grading structure which large sections of the workforce find unacceptable, and over the company's determined stance that the principal elements of the offer are not negotiable.

The company's position is that it cannot afford to pay any more in the light of projected losses. The management is constrained by a further and more sensitive issue.

Company negotiators say they must do all they can to attract investment into the UK. That means showing Chrysler UK's parent company, PSA Peugeot-Citroen which is recognised as being commercially tough-minded, that it is worth investing in the UK and that productivity can be improved. That is

the principal reason why Chrysler has offered to negotiate a new incentive scheme.

Any need to show PSA that the UK management is determined to improve productivity and resist wage demands which it says it cannot afford becomes more important the longer the strike lasts. As a result, both the company and the unions have very little room for manoeuvre.

Painful

The management rejects the thinking of some of the workforce that they have been "set up" to have plants shut down. Union convenors accept that Mr. George Turbull, the Chrysler UK chairman and managing director, is his own boss during the dispute.

Of all Chrysler UK's plants, Ryton—where the strike originally started—would be the least painful from PSA's point of view to shut down if it was felt to be necessary.

The workforce at Ryton assembles the Alpine, and at the Dunstable and Luton commercial vehicle plants. These are parity payments to bring wages at these plants up to the level of Ryton and Stoke, and mean base rate offers of about 13 per cent instead of 5 1/2 per cent. The special payments are the principal reason why the company's offer has not been met by strike action at Linwood or at the truck and van plants.

Both plants have had the same attitude on the basic 5 1/2 per cent pay offer.

"It's the first time for at least three years that we are in collective bargaining. The offer is less in percentage terms than the last two years and less in real terms than the year before that," says Mr. Duncan Simpson, the Amalgamated Union of Engineering Workers convenor at Stoke.

Mr. Pat Fox, the Transport Workers convenor at Ryton, says that his plant could prove very profitable and that Chrysler could afford to pay more. "The 5 1/2 per cent is a ridiculous insult."

The regrading proposals appear to have met with almost the same amount of opposition from certain groups of the workforce.

The company, in line with a commitment made in 1972, is making special payments this year to workers at the Linwood car plant in Scotland and at the Dunstable and Luton commercial vehicle plants. These are parity payments to bring wages at these plants up to the level of Ryton and Stoke, and mean base rate offers of about 13 per cent instead of 5 1/2 per cent. The special payments are the principal reason why the company's offer has not been met by strike action at Linwood or at the truck and van plants.

Broad

The company says that to complete the parity process, a uniform grading structure is necessary, and that is what it has offered.

A national management-shop stewards' meeting earlier this year laid out broad principles for regrading, and the company says it is surprised by the reaction of the workers to the proposals.

Shop stewards at Stoke did not take part in those talks, however, and say the Stoke workforce sees no reason for regrading at the plant. They also view the uniform structure as a severe erosion of plant

bargaining in a company that has no real corporate bargaining structure.

Stewards at the Ryton plant, which has been seeking a new structure, says the proposals are unacceptable. Principal elements of rejection are the proposals to lift basic pay for inspectors to that of production workers, and to lower the differential between production workers and storemen, with some grades getting far more than 5 1/2 per cent.

The company says the overall package of consolidation of Phase 1 and 2, the 5 1/2 per cent and regrading is worth 13 per cent. This would give a production worker £83.80 for 40 hours and £100.66 with six hours overtime. The lowest grade janitor would earn £69.31 for 40 hours and £83.17 with six hours overtime.

Convenors at Stoke and Ryton say the workforces are keen on a new incentive scheme and recognise that measured day working has not produced the necessary production results. The company says the incentive scheme could add a further £3 or more to pay packets.

Although there have been no full discussions on the scheme, there is some dispute with the unions on the use of plant or plant section measurements. The unions are also seeking guaranteed fall-back payments, which runs directly counter to the company's position on the need to offset anything more than 5 1/2 per cent with higher productivity.

Chrysler UK has forecast a loss this year of £30m, even providing for the resumption of Hunter Kit manufacturing for the Iran market (under the

marque name of Paykan), which was disrupted during the revolution.

The 1975 Government rescue plan ends this year. The Government is providing a maximum of £5m and PSA is taking on the responsibilities of the Chrysler Corporation to fund the remaining losses.

Rescue

The end of the rescue plan helps to make Chrysler UK's position vulnerable. PSA has already shown its tough and competitive commercial attitude by deciding to dual source, in France and the UK, both the present five-door Alpine and the new "three-box" Alpine.

PSA could, over the next two years or so, opt to build all Alpines at its Poissy plant in France. Apparently, it does not want to do that. But the UK plants will have to make it clear that they are worth attracting sizeable amounts of new investment.

So far the possible threat of lost investment and lost jobs has been outweighed among the Coventry workforce by the strength of feeling on the pay offer.

"The workforce fully understands the seriousness of the situation but has had no alternative but to do what it has done," says Mr. Simpson. Mr. Fox says there has to be more guaranteed money before his workforce would be prepared to go back to work.

The principle on which the management has been standing is that for the future well-being of Chrysler UK, it cannot pay more.

To all Spillers Limited Shareholders

Your Board considers that the proposed offer by Dalgety does not reflect the real value of Spillers as a Company.

In these circumstances the Board believes that shareholders would be acting against their ultimate interest to sell their shares on the market pending the receipt of the Board's detailed comments on the Dalgety offer.

This advertisement has been issued by Spillers Limited. The Directors of Spillers Limited have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and they jointly and severally accept responsibility accordingly.



Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

SECURITY AND SAFETY

Traces the hidden transmitter

THEFT OF commercial and industrial secrets using hidden transmitters is on the increase. The majority of executives would not resort to industrial espionage and tend to ignore the actions of the unscrupulous few. Even those who are aware of the risk of eavesdropping tend to minimise the problem as it normally involves bringing in outside experts with sophisticated equipment to "sweep" the room. In addition, those companies who deal with confidential information on behalf of clients would not wish to alarm the integrity of their internal security system.

The obvious answer is an effective detector which could be used by company personnel who are not radio experts. Once detected the "bugs" could be eliminated before any important discussions.

This equipment exists. Tracer M-3 is a scanning radio receiver which activates any hidden transmitters and provides a warning that such a

device is operating. Tracer will detect the presence of any radio transmitter including the latest sophisticated sub-carrier devices.

Even bugs that are operating close to stroog public broadcast can be found. Conventional scanning and detecting equipment could lock on to the dominant signal and not indicate the presence of the hidden transmitter. But the new unit can be switched to manual tuning when an ambient radio signal is strong enough to mask transmission and detection can then be achieved.

Once the would-be secure area has been swept clean of transmitters, Tracer can be put on "stand-by" and left to give a warning if a transmitter is placed or activated during the meeting.

An accessory, the SR7, is available for use with Tracer to detect hard-wired devices. Bonaventure International (Security), 18/21 Jermy Street, London SW1Y 6HN. Tel: 01-439 7100.

Motorway fog warnings

DANGER from motorway fog could be reduced as a result of a new study. In a contract awarded by the Home Office, Seicon has developed a novel information retrieval system for use in studies of fog warnings on motorways.

Two meteorological test sites have been set up by the Home Office on the M6 in Derbyshire, notorious for accidents when fog is about. These sites monitor background light, visibility, humidity, temperature, wind speed and wind direction and rainfall. Information is gathered from the sensors, displayed in the control room and stored for subsequent analysis.

To analyse the data, Seicon developed an information

retrieval language on a Texas Instrument's 990/4 microcomputer, which would enable the Home Office to ask the micro to answer questions on the statistics of weather conditions on the motorway.

By being able to interpret the data collected in this simple manner, the Home Office hopes to improve the experimental fog warning system and to develop guidelines to motorway police on predicting hazardous conditions and on the most effective actions to take. The police would then have more information on which to base their motorway strategy.

Seicon on 01-580 5599, Sanderson House, 48, Berners Street, London W1P 4AQ.

Right clothes for the job

ONE IMPORTANT aspect of current health and safety legislation is the wearing of protective or appropriate clothing in workshops, factories, etc., and workwear in the "eighties is very much the concern of the Overall Manufacturers' Association of Great Britain, 52 Mount Pleasant, Liverpool (051-708 8232).

It has produced a handbook (copies are free with 10p

postage) giving information about types of garments and cloth available, methods of buying or renting, special hazards, cleaning and care, measurements, British Standards, trade names, etc.

There is also a table of the principal workwear fabrics and oew fabrics becoming available, suppliers of fabrics and garments.

MATERIALS

Fills in the cracks

DUE to a variety of reasons, most concrete structures will develop some form of cracking during their lifetime and, if left untreated, they may lead to further deterioration—causing, in some cases, serious loss of strength in the affected members. warns Structoplast, Bridgewater House, Barnett Wood Lane, Leatherhead, Surrey (03723 78551).

As a solution to the problem, Structoplast is offering its Ceemar crack injection unit which uses special high-strength epoxy adhesives manufactured at its West Sussex factory.

The resins are said to have been developed in conjunction with a leading UK laboratory to provide materials with optimum characteristics for injection under most site conditions.

Brochure on Ceemarbond resin systems is available on request from the company.

Protects the roof

ONE OF this country's largest manufacturers of roofing waterproof products is now marketing a tough polyester base, weighing 150gm per square metre, said to be the heaviest polyester-based underlay on the market.

When laid in conjunction with its Hyparoot or Superflex it permits the specification of a fully integrated Permaite polyester-based roofing system, says the company (part of Tarmac group): Permaite, Lea Road, Waltham Abbey, Essex.

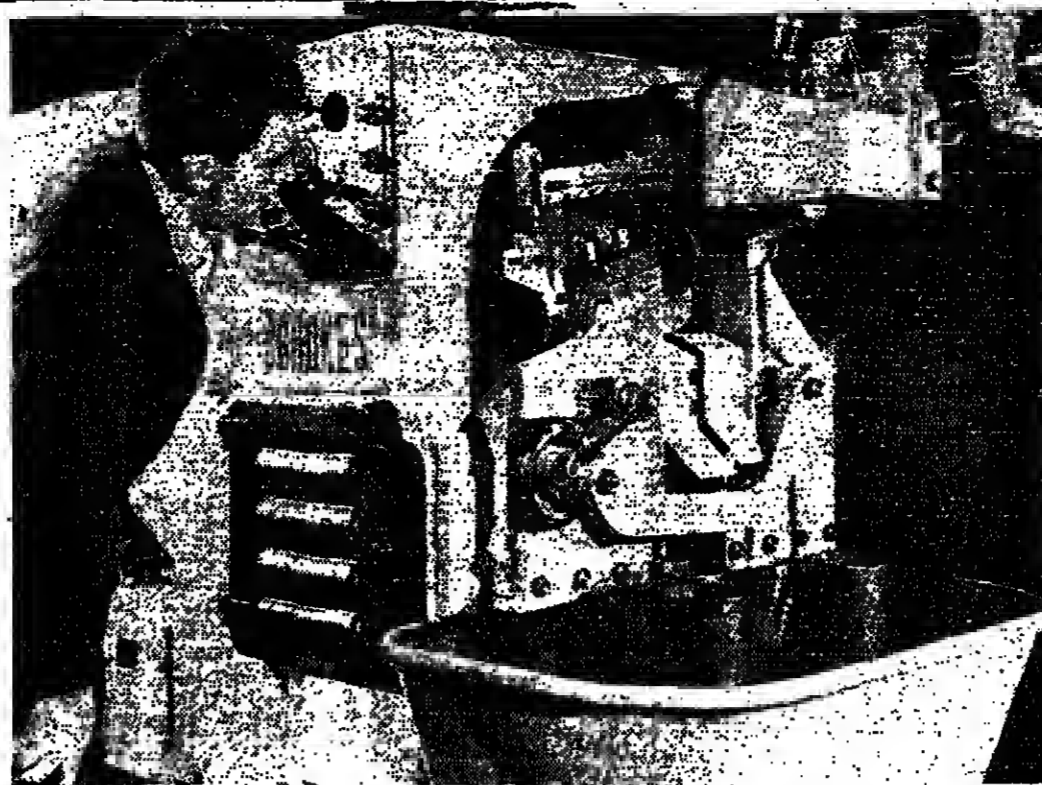
It has produced a leaflet which describes the system, called "Polyester Based Roofing Systems."

Makes good joints

FORMULATED so that any residues from the soldering operation conform to National Water Council's requirements for potable water supplies is a new flux called Powerflow which is said to flux well on both copper and brass and provide sound joints on stock of normal commercial fit.

Active ingredient in Powerflow is non-dermatitic and it does not contain heavy metals such as zinc (potable water must not be contaminated with heavy metals), says Fry's Metals, Taadom Works, Merion Abbey, London, SW19 (01-648 7020).

The white paste is easy to apply and does not run when heated. It is said to withstand overheating and misuse and give joints which have low voidage, high peel and tensile strength and high bursting pressure when soldered.



One of TI Brookes' 178 mm capacity cut off lathes under test at the company's works in Oldbury, West Midlands. A machine of this type, together with a 6-metre automatic magazine feeder, is being supplied to Dowty Mining Equipment for export to the People's Republic of China. It will be used to produce hydraulic

equipment spares for all makes of mine roof supports used in that country. This lathe will accommodate tube from 63 up to 178 mm diameter and the feeder rack will cope with random tube lengths. Tubes are loaded into an adjustable trough from where they are selected automatically by padded, linked arms and fed into the lathe.

WELDING

Automating the process

BOC, which will have its own robot welder at Weldex 79, has established a new operating unit, BOC Automated Welding Products (AWP).

Based at Milton Keynes, Bucks., it will market welding equipment critical to the future development of welding processes that does not fall naturally into the product ranges of existing BOC businesses.

The main reason for setting up AWP is because advances in electronic technology make new approaches to the welding process possible. BOC believes that trends in the industry will create a bigger demand for the equipment that AWP makes and markets.

Fabricators are re-thinking their approach to welding. Welders often work in an environment which is unpleasant and sometimes unacceptable in terms of the hazards of the job and the precautions needed to overcome them.

Many fabricators are finding output limited by the ability to recruit skilled welders, particularly those capable of working sophisticated materials and complex fabrications.

This is aggravated by the tightening tolerances demanded by modern welding processes to ensure sound welds are produced at the first pass.

Leaders in the fabrication industry have recognised that the best way of solving these problems is to automate the process and introduce feedback control systems. The development of these ideas beyond the conceptual stage has been slow until recently but modern electronics enable such control systems to be built cost-effectively.

Initially BOC is exploiting these ideas through robots, welding power sources and control systems. AWP is marketing an arc welding robot with a mechanical unit built by Hall Automation, Watford, Herts, and with BOC welding equipment. Power sources built to a

design based on one licensed from the Welding Institute are being marketed by AWP. These units differ from ordinary power sources in that the current settings are repeatable to within 0.5 per cent; current levels can be pre-set to within 1 per cent and their response is more rapid (typically 0.300 amps in less than 1 millisecond), which allows weld parameters to be more tightly controlled. An additional advantage of these units is that they can be interfaced with sequence controllers relatively easily.

AWP is also marketing a range of feedback controls for welding applications including a penetration control unit which ensures consistent weld quality by examining the back of the weld as it is laid down; a seam tracking device; and two methods of controlling torch height—which are selected to suit the application.

AWP is at Milton Keynes on 0903 7111L.

RESEARCH

Extension of design facility

APPLIED Research of Cambridge and Genesys of Loughborough are undertaking a pilot study to examine extending the Geosys structural design method through the use of

ARC's interactive support software system—BOS.

The two main areas to which BOS will help will be the addition of user-interaction and on-line graphics. A further outcome of the joint venture could be the addition of Fortran programming facilities to the Geosys system, at present running on its own high level language: Centran.

Genesys—now used internationally—is based on the successful formula of easy user interface between man and machine, and machine independence—Genesys will run without modification on many computer systems. Use of Centran, a Fortran-like language, gives Genesys the standard facilities for input and output to achieve this high degree of portability. The system also has a unique use of virtual storage whereby the system organises and allocates sufficient main memory and secondary storage for a particular user problem.

BOS infrastructure software forms the foundation for much of Applied Research of Cambridge's complex interactive

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

INSTRUMENTS

Accuracy in the machine shop

RANGE OF comparators from Sweden, called Unimeter, have been re-designed for the UK market and are now available from Hardees Control Instruments, Maylite Trading Estate, Martley, Worcs. (085 68-493).

These consist of a steel base carrying two measuring jaws: one has limited movement against spring pressure (free of sticking friction, play or backlash) and this movement is transferred to a dial indicator or electronic probe to provide the comparative measurement; the other jaw fixed during the measuring process—is adjustable along the length of its steel bar and extension pieces,

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Case Electronics Limited Phone Egham 6266 for information

where it can be locked in any desired position.

Measuring anvils are secured to the Unimeter jaws by two locking screws, allowing easy interchangeability. Complementing a wide range of standard anvils available, says the company, any special design may be supplied—or made up by the customer—ensuring linear measurements to be made on a virtually any type of component.

COMMUNICATIONS

One minute 'fax'

IBM, Yorktown Heights, has invented a better way of electronically transmitting pages of text and illustrations from one point to another.

Experimental still, the new method provides an improved means for facsimile or "fax" machines to transmit in digital form the contents of page, the signal going either by land-line or by satellite. Simpler hardware is required and transmission speeds of one minute per A4 page are claimed as against the three to six minutes generally required for analogue transmission.

Involving data coding refinements, the method more efficiently transforms black and white images into digital information for transmission. Data compression is the name of the technique used and it reduces the amount of information that has to be transmitted to reduce the message.

Currently, fax development is towards digital transmission since it is capable of transmitting high-quality images faster than is possible with the earlier method.

In digital transmission, the page to be sent is scanned electronically from left to right, top to bottom, much as in a TV tube. The scanner automatically sees the image as a series of scan lines which are composed of picture elements, or "bits," each of which can have a value of black or white.

Detection apparatus gates the sequence of black and white bits on a line. This information can be stored in the form of binary digits or bits, which are actually sent out in digital transmissions, the ones standing for black bits and the zeroes for white.

If it is possible to specify and transmit a whole image in this way, the strings of bits would be inordinately long and demand far too long to send over. Sophisticated techniques have thus been evolved to reduce the time required.

They are, the technology of data compression. In much more detail, see the article on page 41.

It consists in registering each unbroken run of white or black bits along a line in a code word, which is composed of bits to designate the numbers of bits in the runs. Short words are usually shorter than the number of bits in the run they represent and further compression can be achieved by having shorter words stand for the more frequently occurring run lengths.

But the algorithm used by the IBM inventors has several additional saving arrangements to permit further compression and the use of simple, fast electronic circuitry to carry out the encoding.


The basis of the approach is the use of vertical reference coding. In this, a scan line is encoded by means of symbols (bit patterns) which represent changes in bit length which are either the same as in the line above or differ by only one bit from them.

For all other changes, run-length coding is used. Several other developments serve to enhance the economy of the IBM approach. One stems from the observation that the probability of a particular kind of symbol occurring depends on the symbol immediately preceding it. Thus, a run-length is much more likely to be followed by another run-length of the same length than it is likely to be followed by another vertical reference.

This statistical knowledge allows a facsimile machine under the new system automatically to assign a shorter code word to the more likely bit pattern and enables a machine at the receiving end to reproduce the incoming bit pattern without ambiguity.

Certain patterns can be encoded either horizontally or vertically. The latter scheme always gives the shorter code, so that when demand for too long to send over, there are no possible vertical over. Sophisticated techniques have thus been evolved to reduce the time required.

They are, the technology of data compression. In much more detail, see the article on page 41.



Forbes

announces a special advertising section on

BUSINESS EQUIPMENT

TECHNOLOGY THAT FORCES EXECUTIVE DECISIONS

to be published in the November 12, 1979 issue

Written by
Harvey L. Poppel
Senior Vice President
Booz-Allen & Hamilton Inc.

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How to stop having to explain why the computer won't do everything the boss expects



Every DP man has had the experience of explaining to management the limitations of his system. With any system based on applications limitations are inevitable—and removing them is usually an expensive proposition.

Dataskil IDMS removes the need for those embarrassing explanations. It enables your system to carry out what the MD demands—cheaply. You can add whole new files without re-writing programs, bring new departments on line without re-arranging all the data. Integration of systems need not be brought to a halt by expense when only three or four applications have been added in—and you can integrate with TP systems too.

And, incidentally, run times can be significantly reduced.

All this makes for a much happier working environment for your staff. But from management's point of view the important thing is saving of money. IDMS (Integrated Database Management System) has typically saved 30% of both development and maintenance costs in the field.

IDMS is obviously particularly suited to businesses in which a number of different user departments need to look at the same sets of facts from different points of view; good examples include construction, banking and insurance, and production and stock control in general manufacturing. It is simple to use—the language is a high level one based on COBOL. And it conforms to the CODASYL standard.

Satisfied users include British Aerospace, Tootal, George Wimpey and Short Brothers. Ring Brian Nunn, of the Marketing Department on Reading (0134) 68123 for an exploratory talk. Or write to him at ICL, Dataskil, Reading Bridge House, Reading, Berkshire, RG1 8PN.



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FINANCIAL TIMES SURVEY

Wednesday August 22 1979

مركز الأبحاث

World Motorcycles

This year's Earls Court Motorcycle Show, which opens on Saturday, will be the largest for 12 years and a shop window for a vehicle that is now a sophisticated plaything as well as a means of transport. Motorcycles are a fiercely competitive business in which the grip of the Japanese manufacturers is as strong as ever.

Markets won by powerful strategy

By John Griffiths

LAST YEAR the world markets absorbed an estimated 5m new powered two-wheelers, from 50cc mopeds to 1200cc, six-cylinder "superbikes" with the performance, and almost the fuel consumption, of the most exotic sports cars.

That three-quarters of this production came from the factories of Honda, Yamaha, Suzuki and Kawasaki is a measure of just how completely the Japanese have overrun most of the major world markets since their exports drive started in earnest in the early 1970s.

As the Japanese campaign gained momentum, so many rivals found themselves either retreating to ever-smaller segments of the market, or, if they stood their ground and fought, became locked in an increasingly tight costs squeeze which was to weigh them away on the Japanese tide.

Nowhere was this more evident than in the case of the British motorcycle industry, itself in its heyday of the 1950s the world market leader. Now, effectively, it is reduced as a manufacturer to the big-

capacity Triumph motorcycles produced by the Meriden co-operative, which even now is fighting a last-ditch battle for survival; and NVT, whose production of a range of light BSA motorcycles, made largely from imported components, is only just starting to get off the ground with fewer than 10,000 machines produced so far.

Behind the success of the Japanese manufacturers' strategy has been a consistent commitment to achieving high-volume production and a dominant share of every market into which it has sought entry—and that means the majority—with little regard to considerations of short-term profitability.

In 1960, the Japanese makers, led by Honda, were producing about 1.5m small, cheap motorcycles and mopeds a year, only four in 100 of which found their way into markets abroad. But even the domestic market had provided the economies of scale which in the years to follow were to provide a highly-competitive cost position from which to launch into world markets.

The process has been self-fuelling: the subsequent commitment to funding foreign buyers for ever-increasing production allowed the sustained introduction of the most up-to-date, capital-intensive equipment and sophisticated research and development facilities—producing better machines.

At the same time, profitability also took second place to establishing in each chosen market blanket distributorship and dealer networks backed by aggressive promotional campaigns. The high volumes attained have allowed this to be done on a unit cost basis no higher than that of Japan's

retrenching rivals.

Effectively, the strategy was a dash for growth which has worked devastatingly well, with an export volume of 2.75m machines last year, the Japanese have reached levels of productivity, lowered costs and in the final event, high profitability which have allowed them to expand into all sectors, achieve near-unassailable dominance of the major markets and, throughout the 1970s, effectively dictate the level of prices.

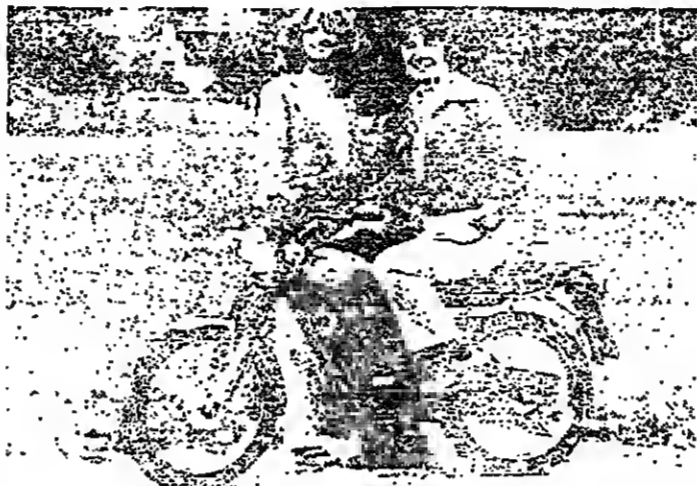
Recreation

However, in the developed world at least, the prospects for increasing the overall size of the markets for traditional motorcycles as a basic means of transport now appear to be limited. Such growth as remains is coming more from new uses for the motorcycle, notably for recreation.

There has been a substantial upsurge in the manufacture of specially styled "off-road" motorcycles—an innovation largely pioneered by the Japanese—and in the superbike cult, with ever-larger and more expensive machines—BMW's top of the range R100RS sells at well over £3,000 in the UK for example—being bought often as fair-weather second vehicles by affluent car owners.

At the other end of the scale, however, mopeds—almost a market of their own—suffered a consistent decline in sales in most markets after the world adjusted itself to the effects of the 1973 oil crisis, but are now starting to regain ground as the result of the more recent round of fuel price rises. Again, a substantial proportion is being bought as back-up commuter vehicles by car owners.

These trends are reflected in



One British insurer in the flood of foreign machines in BSA's 50cc Beaver

the British market. In the first half of this year, according to the Motor Cycle Association, which represents the manufacturers, sales of superbikes (those above 750 cc) at just under 5,000 were 67 per cent above the level for the same period a year ago. Sales of mopeds, at 39,428, were showing a rise of 53 per cent.

On the other hand, sales in all intermediate categories, with the exception of the popular 250 cc market to special case in Britain: it is the highest-capacity vehicle which a learner can ride, at best were holding steady, at worst—in the 350 cc-500 cc bracket—showing a fall in sales of 25 per cent.

In the U.S., the most valuable market for motorcycle manufacturers, with well over 5m bikes on the road, the increase in sales similarly has been in the superbike and off-road sector. Growth in the latter has been far more spectacular than in

Europe, an inevitability given America's vastly greater opportunities for off-road riding.

But increasingly there are rumblings from the environmentalists lobby seeking restrictions on riders' access to the countryside, and the cloud over the machines' future, though small, could yet grow steadily. However, the styling of these machines has set a trend in Europe as well, and given a further boost to sales among young riders and in the replacement market.

At the same time, with the Americans, too, at last starting to feel the pinch from fuel shortages and higher prices—though pending price decontrol they remain at only half European levels—manufacturers expect that this time round smaller, more economical, bikes might fare much better. Certainly mopeds, almost unknown in the U.S. a couple of years

ago, are now appearing in ever-increasing numbers, particularly on the trend-setting West Coast.

The prospects for growth in the developing world are considerably different, and are receiving increased attention from manufacturers. With cars for many still an unobtainable goal, mopeds, scooters, and light motorcycles (the two principal European manufacturers of scooters, the Italian concerns Vespa and Lambretta, are starting to see some revival in European markets for the first time since the scooter fad faded in the 1960s) are coming into their own.

While there is a major Japanese presence here as in the developed world, the growth in demand is such that, in India, for example, despite the best efforts of a flourishing domestic industry comprising 27 different companies which made more than 4m lightweight two-wheelers last year, there is a waiting list of up to six years for the most popular models.

India's industry, which the largest of the developing world, has set itself a target of producing more than 800,000 two-wheelers of all types by 1982-1983, with scooters accounting for two-thirds. Its fledgling exports industry is also expanding quickly, with nearly 30,000 vehicles being exported to neighbouring Third World countries last year.

Despite their continuing domination of markets, the Japanese have not been enjoying a trouble-free existence during the past 18 months or so. The yen rose sharply last year, particularly against the dollar, hitting operating profits quite sharply. Honda's were down by nearly 18 per cent,

though this figure includes car sales as well. Suzuki's and Yamaha's were down by slightly less.

In addition, overseas sales to some Third World countries ran into problems such as the disturbances in Iran and balance-of-payments problems with Nigeria, where Honda plans this year to set up a joint venture to produce 100,000 light motorcycles a year.

Record

Although value of the yen has dropped back considerably, the first half of this year has seen a fall in the Japanese manufacturers' motorcycle exports overall—of about 27 per cent to 1.2m units. Exports to the U.S. were down 14.1 per cent and to Europe down 15.2 per cent.

However, given the onset of higher fuel prices, the coming 12 months are expected to produce better fortunes, and certainly this appears to be borne out by the latest developments in the British market. Since spring, sales have risen sharply and the industry is projecting sales for the year of 230,000, a 20-year record. Honda, which through its 900 dealers holds 46 per cent of the UK two-wheeler market—more than twice the share of its nearest

(also Japanese) rival, reports buoyant sales, particularly of its superbikes (in which, until the introduction of its CB900 and 1000cc CBX models at the end of last year, it had lagged behind other of its Japanese rivals, notably Kawasaki).

Meanwhile, a big question mark hangs over the Meriden co-operative and the 750cc Triumph motorcycles which, apart from the new BSA venture, are almost all that is left of an era.

The co-operative, set up in

1975 with the aid of a £7m grant and £4.2m loan from the former Labour government, has been short of working and product development capital from the start.

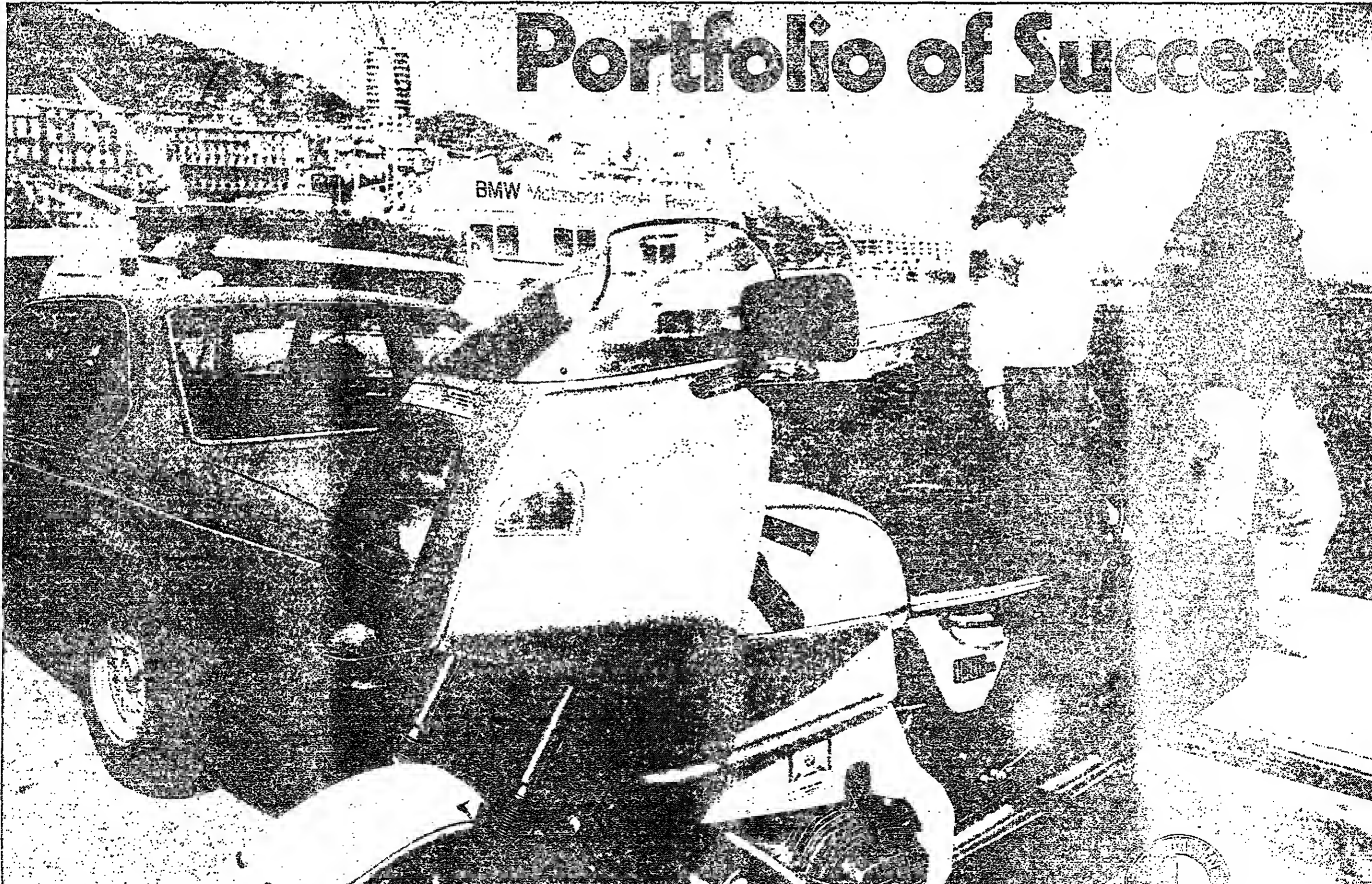
Despite interim help from GEC and a further £3m government grant the twin burdens of a strengthening pound cutting sales and margins in its main market—the U.S.—and the seemingly endless new Japanese rivals to what is basically a 30-year-old design, saw the company by last month with substantial unsold stocks and a refusal by Sir Keith Joseph, Industry Minister, to waive £1.2m in overdue interest charges.

Since then, the Government has agreed to wait—probably until October—for its interest payment. And last Wednesday, Meriden's other creditors gave their support to the company's efforts to find a financial partner. Production, meanwhile, has been cut from 500 to 250 motorcycles a week, and the 62-strong workforce has accepted a further 60 redundancies.

Mr. Geoffrey Robinson, the Labour MP who is also the co-operative's chief executive, now reckons the company has "at least a fighting chance for survival."

But if Meriden does go, there will be one last, but infant, British foot still trying to keep the door on the large motorcycle market open: at the same time as NVT is struggling also to get a foothold in the moped and light motorcycle market with the BSA models, it is also hard at work developing a superbike of its own.

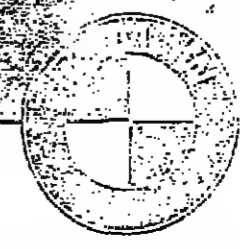
If and when it reaches the market, it will be revolutionary in the truest sense: it is planned as Britain's first Wankel-engined motorcycle.



Portfolio of Success.

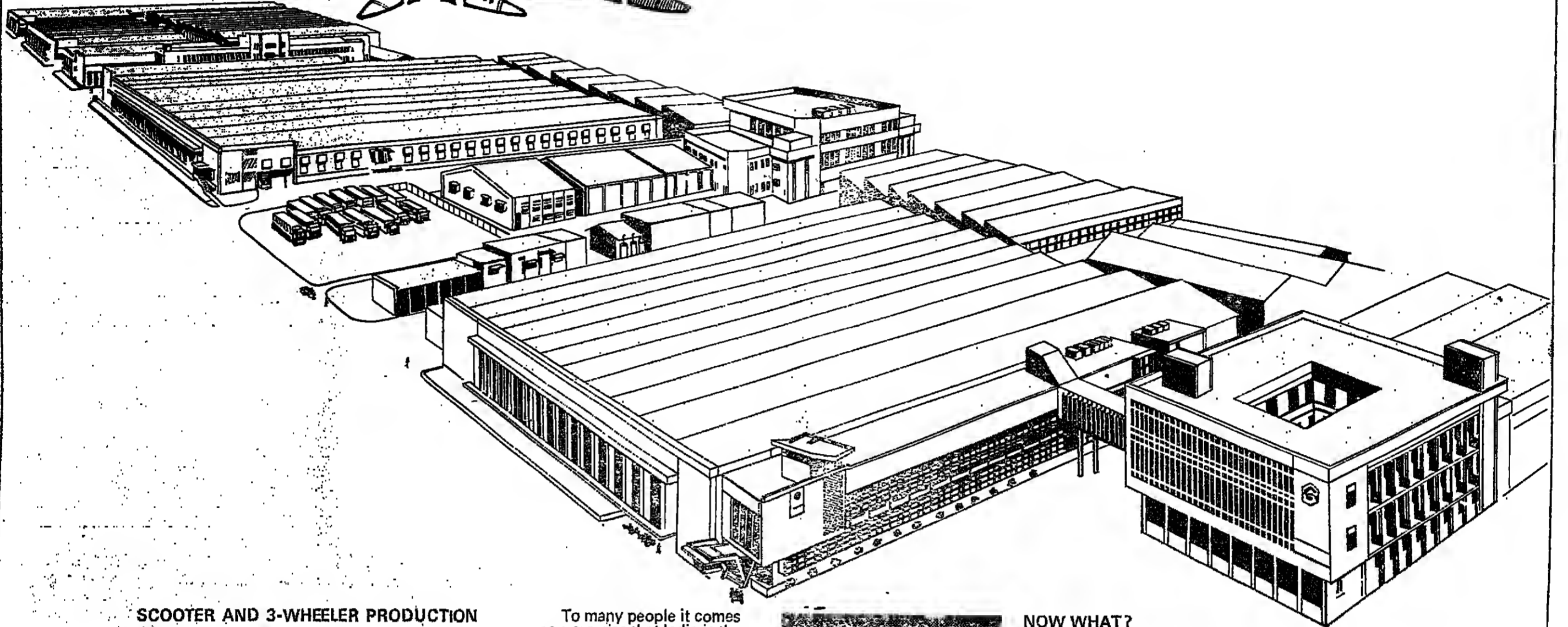
The BMW range of motorcycles from £1,849 to £3,599.
The BMW range of cars from £5,004 to £18,740.

BMW Concessionaires (GB) Limited, Motorcycle Division, 561-565 Chiswick High Road, London W4 4HS. 01-995 4651.
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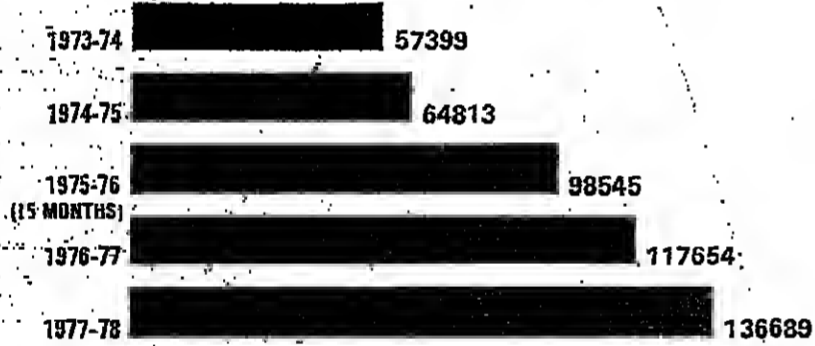


For the joy of motoring.

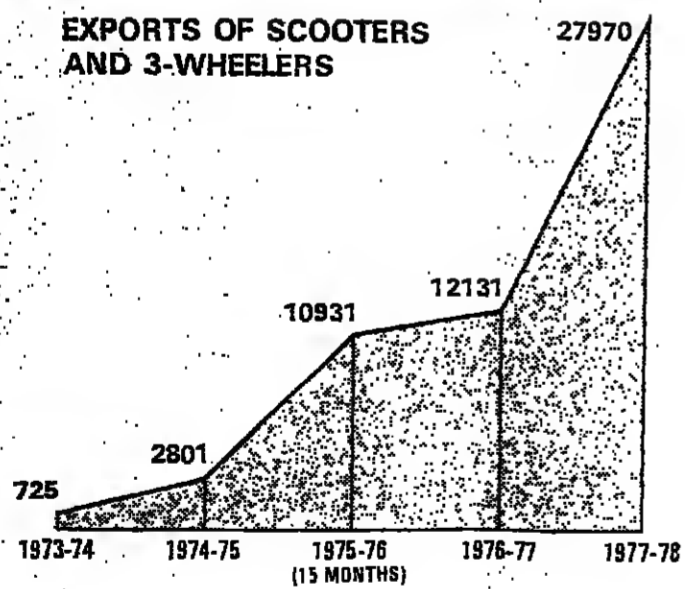
But on the world scooter scene Bajaj Auto are second largest



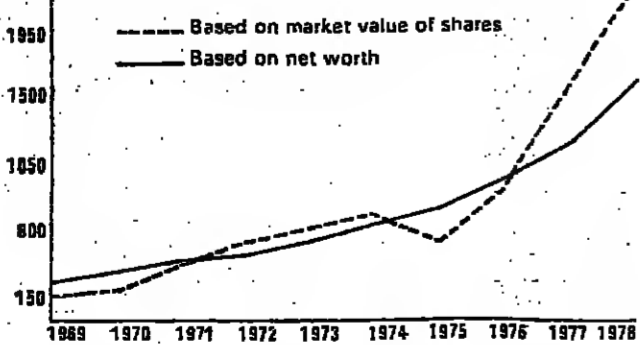
SCOOTER AND 3-WHEELER PRODUCTION



EXPORTS OF SCOOTERS AND 3-WHEELERS



GROWTH IN VALUE OF BAJAJ AUTO'S EQUITY SHARE



To many people it comes as a surprise that India is the world's tenth largest industrial nation.

A number of large manufacturing organisations have contributed to this dramatic growth; one of which is Bajaj Auto.

A company which employs modern mass production techniques, ruthless quality control, and is the second largest scooter manufacturer in the world.

THERE ARE EVEN MORE COMING

At Bajaj Auto's 64-hectare site at Poona, there is great excitement over the company's expansion plans.

New bays are already coming up to accommodate the men and machines which will push production up to 250,000 scooters and three-wheelers a year by 1981.

PARTLY, TO MEET INTERNATIONAL DEMAND

In the last ten years, thousands of Bajaj scooters have found their way into many countries, from South-East Asia to the USA.

Indonesia and Taiwan make their own Bajaj vehicles under licence.

PHYSICAL FACTS

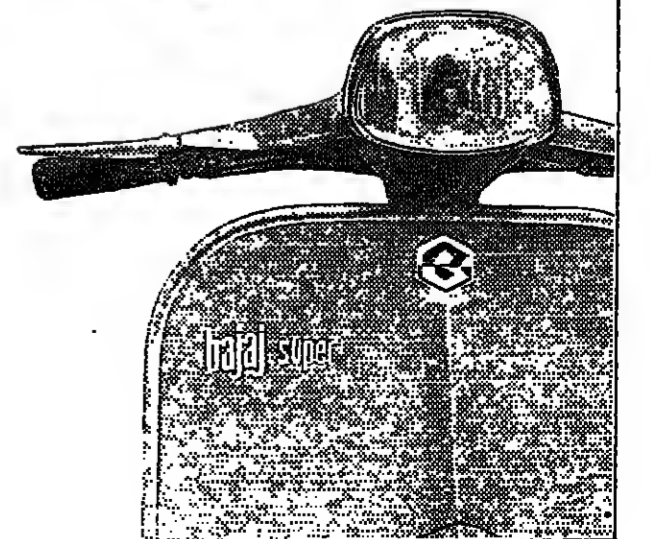
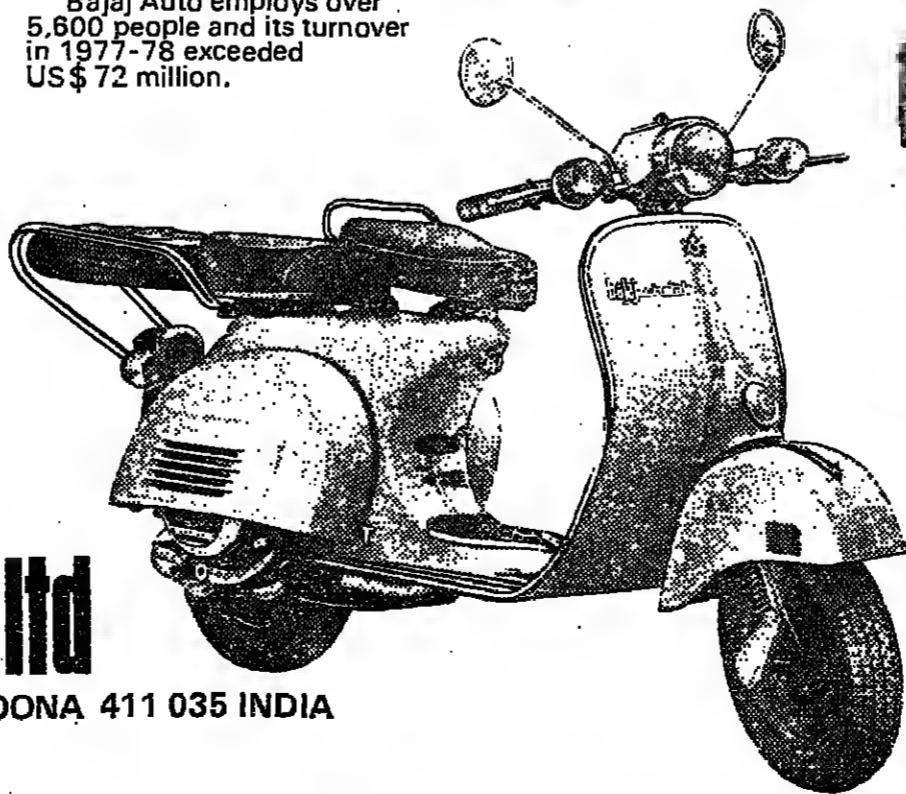
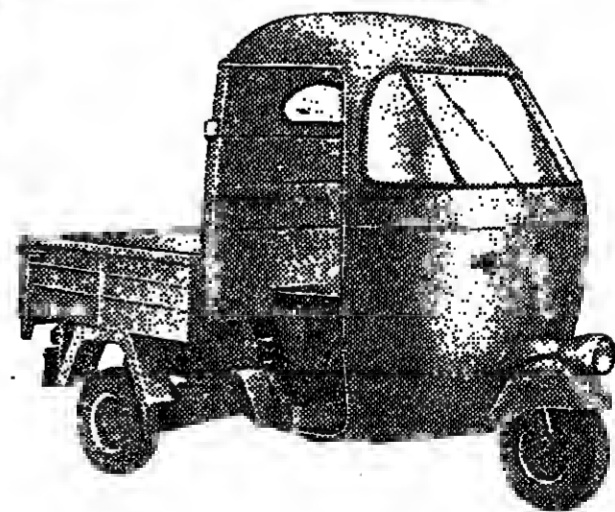
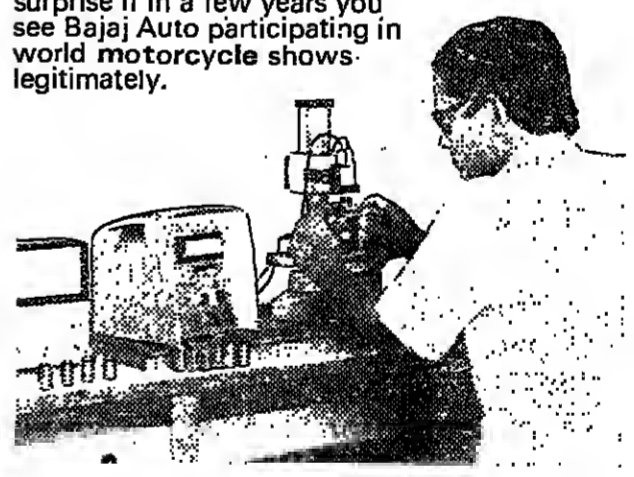
Bajaj Auto employs over 5,600 people and its turnover in 1977-78 exceeded US\$ 72 million.

NOW WHAT?

Bajaj Auto is professionally managed; has excellent facilities for mass production, quality control and research and development. Plus, a vast domestic sales and after-sales service network.

With such sound assets, it is obvious that the company must have important plans for the future. For increased production as well as for diversification.

So, it shouldn't come as a surprise if in a few years you see Bajaj Auto participating in world motorcycle shows legitimately.



bajaj auto ltd
AKURDI POONA 411 035 INDIA

The world's second largest scooter makers

THE MANAGEMENT PAGE

مركز من الأخبار

EDITED BY CHRISTOPHER LORENZ



Art Martin, president of Dana International Europe/Middle East.

A big spending spree speeds Dana's growth outside U.S.

BY KENNETH GOODING

THERE are certain similarities between General Motors' push to build up its operations outside the U.S. and the changes taking place in the international business of Dana...

Dana distinguished itself by making three major international acquisitions last year, an indication of the speed with which it is reacting to changing circumstances.

Like GM, Dana has a dominant position in its home market, particularly with components for trucks.

Dana's U.S. business is highly profitable; it was in the top 8 per cent of the Fortune 500 last year as far as returns to shareholders were concerned.

Also like GM it saw some time ago that automotive markets were growing faster outside North America and would go on doing so.

demand in the rest of the world outstripped that in North America for the first time. In the U.S. Dana deliberately steered clear of car component manufacturing because of the cyclical nature of the business.

Dana built up a big share of the truck component market and now has to accept that anything but organic growth is out of the question.

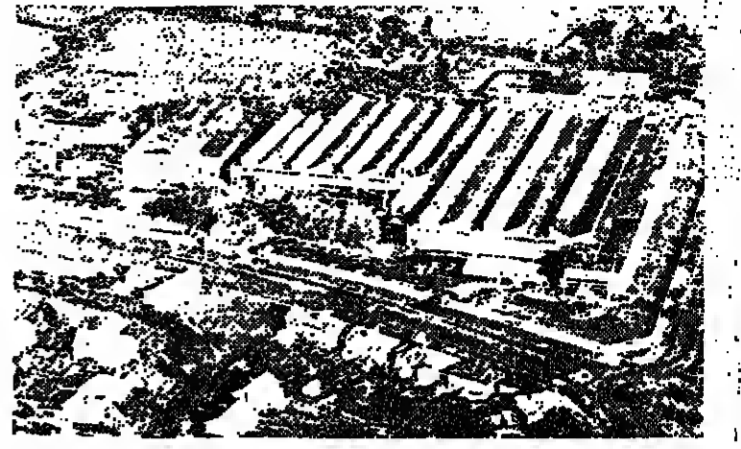
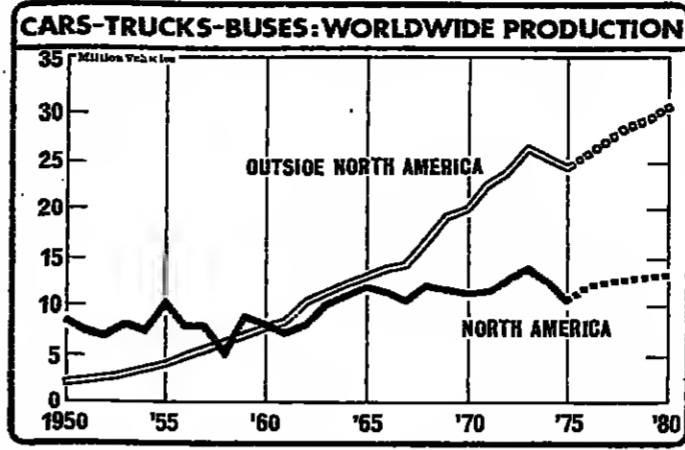
So Dana has been building a "tripod" a trio of related divisions, adding service (or distribution) and industrial businesses to automotive components.

Early forays outside the U.S. and Canada were mainly at the request of major customers. This was the case when Dana followed GM and Ford into Latin American markets.

The big push overseas came with the acquisition of two American businesses in the mid-1960s, Perfect Circle and Victor.

Even so, 10 years ago Dana's investment outside North America was only \$18m while today it is \$130m.

The fifth and final article in a series on the concept of a world car looks at how a major American component supplier is adjusting to changes in world markets.



For its drive into Europe Dana bought control of Turner Manufacturing in the UK. Turner's factory (above) is manufacturing base for drivetrain components in Europe.

adding to its service-distribution operations. Last year's three acquisitions provided the basis of an organisation which will ultimately provide Dana Europe with a discernible structure and separate identity.

Dana mapped out the rest of Turner Manufacturing, bought the French and Swiss operations of Genuine Parts, one of the top three U.S. automotive component distribution groups.

Full control of Turner was necessary because Dana will turn it into its manufacturing base for drivetrain components in Europe.

Some of the gearboxes will go to Latin America and Dana estimates that \$,000 a month of the Turner-built drive shafts will also be exported.

is "to work myself out of a job so a European can take over." Although overseas sales are running at \$1bn, Dana reckons it has only 30 Americans working in its operations outside North America.

Local participation extends to having local shareholders in overseas businesses as far as Dana is concerned.

There are still technical problems to be sorted out. The Genuine Parts distribution operations in France and Switzerland were bought by Dana in 1976.

There is no shortage of potential targets, both in the U.S. and overseas, and Dana certainly does not have enough cash or borrowing potential to buy all the companies that the divisions would like to purchase.

And the pace of change has made Dana think again about its informal international information-gathering processes.

Most of the overseas companies are generating all the funds they require for organic growth. But Dana is still very much on the takeover trail.

There is no shortage of potential targets, both in the U.S. and overseas, and Dana certainly does not have enough cash or borrowing potential to buy all the companies that the divisions would like to purchase.

And the pace of change has made Dana think again about its informal international information-gathering processes.

And the pace of change has made Dana think again about its informal international information-gathering processes.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Enforceability of a covenant

On leaving my employment as Sales Director, I was offered a partnership with a small company in the same line of business and some overseas manufacturers have also made me an attractive offer.

However, a clause in my previous contract reads as follows: "Subject to the following restrictions not reasonably preventing a Director earning a living in other employment upon leaving the Company, a Director is not permitted for one year after termination of his employment—either solely in partnership with or as an agent for another person, firm or company—to carry on trade or business competitive with trade or business carried on by the Company or its subsidiary or associated companies, with which he was concerned while in the service of the Company."

Do you consider this enforceable? We think that there would be a reasonably strong chance of your ex-employers being able to enforce the covenant unless you can demonstrate that you cannot earn a living without what would otherwise be a breach.

The liquidator's argument appears to rest on there having been no notification of the term as to ownership of the goods until after the contract had come into being.

At a recent liquidator's meeting one creditor stated that his company had a clause in their invoices stating that "ownership in the goods shall remain with the seller until such time as the purchaser has paid in full all that it owes to the seller."

Was this just a convenient standstill for the liquidator to take or would he have good arguments in law? If the buyer had already used the goods, thus being unable to return them in original condition, would the seller be regarded as a preferential rather than unsecured creditor?

Your chances of succeeding on appeal are doubtful if you do not wish to incur the expense of professional assistance, but you may like to browse through, say, part C3 of volume C of Simon's Taxes in a local reference library, to assess the odds.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Liquidation and ownership

Commodity futures

Company Secretary's Review

The latest Companies Bill analysed

Word Processors: Their solution, installation and use

Money Management

Leipzig Fair

German Democratic Republic

300,000 Visitors from 100 Countries come every year to the Leipzig Autumn Fair. They come because it offers information, contacts, trade, a comprehensive view of GDR products for export, plus an ever-growing range of goods from other socialist countries.

Reserved accommodation bookable in the UK. Direct flights by British Airways. Inclusive arrangements and Rent-a-Car facilities. Further information from Leipzig Fair Agency, Dept. FT, 20 Conduit Street, London W1R 9TD. Tel 01-493 3111.

Advertisement for Halifax Convertible Term Shares. Includes a cartoon illustration of a man pointing to a clock, a large headline 'An easy way to the top interest rates.', and a coupon for requesting more information. The coupon includes fields for name, address, and investment preferences.

How the U.S. sees Mrs. Thatcher

BY JOHN WYLES IN NEW YORK

IT WAS by any standards an unusual scene. Some 600 American businessmen on their feet enthusiastically applauding a British politician even before they had heard her speak.

Admiration

In other words, Mrs. Thatcher's devotion to personal incentives, low taxes, the smallest possible role for the public sector, was the nearest thing to genuine Taft Republicanism anybody had ever heard from a British politician.

TV Radio

- 5.40 Nationwide (London and South East only). 6.30 The Wonderful World of Disney. 7.05 Where Are They Now? 7.35 Sykes. 8.05 The Superstars. 9.00 News. 9.25 Lancelotti Music. 10.00 Come Dancing. 10.40 Medical Express. 11.10 The Music Makers. 12.10 am Weather / Regional News.

F.T. CROSSWORD PUZZLE No. 4054

12 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

- 1 Drink always put in bag before start of excursion (8). 2 Soldiers are posted and don't like it (6). 3 Telephone twice for old time-keeper (1-4). 4 Rapier celebrated in part for its penetrating action (6).

1 Joint of beef on end of tray could be rank (6). 2 One who wantonly damages vehicle had brought up (6). 3 Travelling in old part of Yorkshire (6). 4 Abrasive—like The Daily Mirror? (5-5).

Climbing up a sunny Riviera trellis

THIS WEEK, I indulge in some wishful thinking. Any gardener finds that easy enough, and those who believe that this column thinks wistfully more often than will not be surprised to catch me at it again.

In fact, most wishful thoughts are tempered here by my own bindweed and an endlessly changing garden. But when I entertain the idea of a Mediterranean garden, I have to be honest.

The weather and season turn my thoughts to the Mediterranean where so many good gardens are kept up against the weather. The Government now lets you invest your money in a foreign house: what, then, would you want to plant round it?

Westminster Abbey a sound bet

WESTMINSTER ABBEY, the subject of considerable stable confidence and ebullient support from several backers, is noted for giving little away, looks weighted to run a tremendous race on the Knave's this afternoon.

RACING

proving all the time. Unplaced on his race course debut, this middle East is far more extensive and in terms of column inches Cambodia and Vietnam have done a great deal better during Mrs. Thatcher's first 100 days than the actions of the British Prime Minister. It is too soon to predict whether a Thatcher-led resurgence of British capitalism will make Britain a more compelling new story here.

- 6.40 Open University. 10.20 Charbar. 11.00 Play School. 1.20 pm Cricket: The Gillette. 4.50 Open University. 6.55 Cricket: Clilte Cup. 7.30 Mid-Evening News. 7.40 Adventure. 8.30 Seven Artists. 9.00 My Music. 9.25 "Up Home Qui Me Plait" starring Jean-Paul Belmondo. 11.15 News. 11.25 Cricket: Gillette Cup semi-final highlights.

LONDON

- 9.30 am The Living Body. 9.45 It's More Life. 10.05 Talking Bikes II. 10.30 Dick Tracy Cartoons. 10.45 Family. 11.35 The White Stone. 12.00 Cloppa Castle. 12.10 pm Rainbows. 12.30 Emmerdale Farm. 1.00 News plus FT Index. 1.20 Times News. 1.30 Crown Court. 2.00 Afternoon Plus at Home. 2.25 Racing from York. 3.50 pm Definition. 4.20 Michael Bentley's Party Time. 4.45 Enid Blyton's Famous Five. 8.15 Batman. 8.45 News. 9.00 Thames News. 9.05 Father Dear Father. 9.35 Crossroads. 7.00 Don't Just Sit There.

Radio Wavelengths

- 1 105.8kHz/275m 121.8kHz/257m 158.8kHz 158.8 86.9kHz 158.8kHz/275m 2 68.8kHz/433m 309.8kHz/330m 88.9kHz/275m 200kHz/1500m 88.9kHz/275m

Called Rantonetti, it is not a climber but a loosely-spreading shrub about six feet high. It has the typical potato-flowers of lilac-blue, but again they are of such a size that you would hardly guess their family.

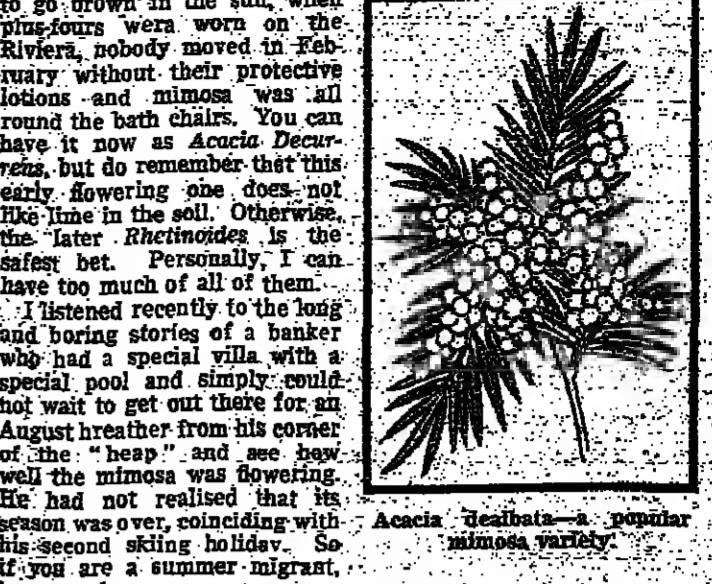
GARDENS TODAY

BY ROBIN LANE FOX

superb range of colours. The flowers almost defy belief; those long dangling trumpets of some nine inches or 60 which are closed by a cross of petals. The scent is heavenly, though the leaves are rather coarse. Like the Solanum, it is a plant with some very common relations.

ENTERTAINMENT GUIDE

OPERA & BALLET. COLISEUM. Credit Cards. 240 3258. 8.30-9.30. 9.30-10.30. 10.30-11.30. THEATRES. ADELPHI THEATRE. 01-636 7811. Mets. Thurs. 8.00 and Sat. at 4.00. 'GLOUBIOUS GARDEN' Daily. 10.00. ALBERT. From 8.30 am. 8.30-9.30. 9.30-10.30. 10.30-11.30. THEATRES. ADELPHI THEATRE. 01-636 7811. Mets. Thurs. 8.00 and Sat. at 4.00. 'GLOUBIOUS GARDEN' Daily. 10.00. ALBERT. From 8.30 am. 8.30-9.30. 9.30-10.30. 10.30-11.30.



to go brown in the sun, when pin-fours were worn on the Riviera, nobody moved in February without their protective lotions and mimosas was all round the bath chairs. You can have it now as Acacia Decurrens, but do remember that this early flowering one does not like lime in the soil. Otherwise, the later Reticulata is the safest bet. Personally, I can have too much of all of them.

ENTERTAINMENT GUIDE

THEATRES. SAVOY THEATRE. 01-231-9088. MURDER BY MYSTERY. 8.00. 10.00. 12.00. THEATRES. SAVOY THEATRE. 01-231-9088. MURDER BY MYSTERY. 8.00. 10.00. 12.00. THEATRES. SAVOY THEATRE. 01-231-9088. MURDER BY MYSTERY. 8.00. 10.00. 12.00.

CURRENCIES, MONEY and GOLD

Dollar steady

Trading was featureless in the foreign exchange market yesterday, with European central banks such as the German Bundesbank and Swiss National Bank probably taking advantage of the quiet conditions to reduce their currency reserves by selling dollars.

Sterling opened at \$2.2155-2.2165, and touched a high point of \$2.2200-2.2210, but declined in the afternoon on selling from New York. It closed at \$2.2100-2.2110 a fall of 1.15 cents on the day.

of England, fell to 70.6 from 70.9, after standing at 70.7 at noon and in early trading. The dollar's index on Bank of England figures, was unchanged at 107.7. The Swiss franc was almost unchanged against the D-mark at DM 1.8325, compared with DM 1.8320 previously, and against the Swiss franc at SwFr 1.6580, compared with SwFr 1.6580.

Table with columns: Currency, % change, % change adjusted for divergence, Divergence limit %.

Table with columns: August 21, Pound Sterling, U.S. Dollar, Deutsche Mark, Japan Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

Table with columns: Aug. 21, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

U.S. rates firm

U.S. short term interest rates continued their upward trend this week. Federal funds, the uncommitted funds lent between banks, touched 11 per cent on Monday, and closed at 11 per cent, compared with the resumed target rate set by the S. Federal Reserve of 11 per cent.

Large assistance

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave a large amount of assistance by buying a small number of Treasury bills from discount houses, and a small amount of local authority bills.

Table with columns: Aug. 21, Sterling, Interbank, Local Authority Deposits, Finance House Deposits, Company Deposits, Discount market, Treasury Bills, Eligible Bank Bills, Fine Trade Bills.

Local authority and finance houses seven days notice, others seven days fixed. Long-term local authority mortgage at nominally three years 12.12% per cent; four years 12.12% per cent; five years 12.12% per cent. Bank bill in table are buying rates for prime paper. Buying rates for four-month bank bills 12% per cent; four-month trade 14% per cent.

THE POUND SPOT AND FORWARD

Table with columns: Aug. 21, Day's spread, Close, One month, Three months.

THE DOLLAR SPOT AND FORWARD

Table with columns: Aug. 21, Day's spread, Close, One month, Three months.

CURRENCY MOVEMENTS

Table with columns: Aug. 21, Bank of England, Morgan Stanley, Index changes %.

OTHER MARKETS

Table with columns: August 21, Argentina Peso, Australia Dollar, Brazil Cruzeiro, Finland Markka, Greek Drachma, Hong Kong Dollar, Indian Rupee, Kuwait Dinar, Luxembourg Franc, Malaysia Dollar, New Zealand Dollar, Saudi Arabia Riyal, Singapore Dollar, Sth. African Rand.

Table with columns: August 21, Pound Sterling, U.S. Dollar, Deutsche Mark, Japan Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

U.S. rates firm

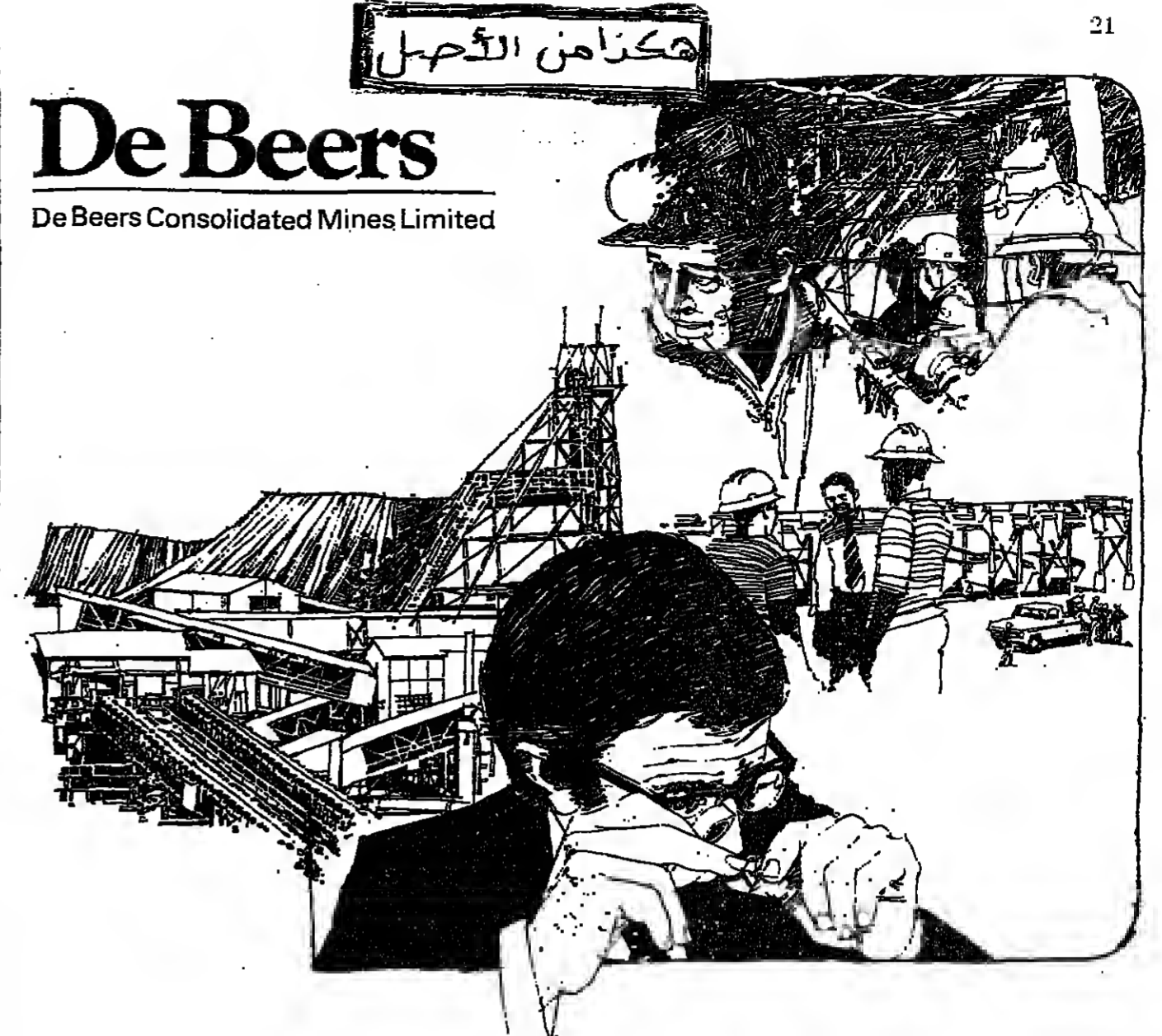
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Interim Report and Declaration of Dividend

The following are the unaudited consolidated results of the Company and its subsidiaries for the half-year ended 30th June 1979 together with the comparative figures for the half-year ended 30th June 1978, and for the year ended 31st December 1978, which should be read in conjunction with the subjoined notes:-

Table with columns: Half-year ended 30th June 1979, Half-year ended 30th June 1978, Year ended 31st December 1978.

Notes: 1. The results for the half-year ended 30th June 1978 have been restated to conform to the policy of charging maintenance capital expenditure against profits and treating export duty as tax.

INTERIM DIVIDEND

Declaration of Dividend No. 119 on the Deferred Shares. An interim dividend in respect of the year ending 31st December 1978, being dividend No. 118 of 20 cents per share (1978: 20 cents) has been declared payable to the holders of deferred shares registered in the books of the Company at the close of business on 21st September 1979 and to persons presenting coupon No. 63 detached from deferred share warrants to bearer.

Table with columns: Group profit before tax, Deduct: State's share of profits under mining leases, Less: Loan portion of tax, Group profit after tax, Deduct: Outside interests in subsidiary companies, Group profit after tax attributable to De Beers Consolidated Mines Limited, Preference dividend of R1 per share declared 29th May 1979, Second preference dividend of 4 cents per share declared 28th May 1979, Cost of interim dividend of 20 cents per deferred share (1978: 20 cents).

Head Office: 36 Stockdale Street, Kimberley, South Africa. London Secretaries: Anglo American Corporation of South Africa Limited, 40 Holborn Viaduct, London EC1P 1AJ. Transfer Secretaries: Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg, (P.O. Box 61051, Marshalltown, 2107). Charter Consolidated Limited, P.O. Box No. 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel. 01-623 6314. Index Guide as at August 16, 1979. Capital Fixed Interest Portfolio 117.50. Income Fixed Interest Portfolio 105.00.

DUDLEY OLDHAM Metropolitan Borough Floating Rate Stock 1982. For the six months from 22nd August, 1979 to 22nd February, 1980 the interest rate on the above stock will be £14.6250% per annum.

LOCAL AUTHORITY BONDS. Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Brian Kelaart 01-248 8000 Ext. 266.

The war that never ends. We British are a peaceful people. Who a war is over we like to consign it to the history books - and forget it. But for some the war lives on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and all day.

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Further setback at Firestone

BY STEWART FLEMING IN NEW YORK

FIRESTONE TIRE AND RUBBER has suffered a further setback in its recovery from last year's heavy losses...

improvement over a year ago, its European operations are still not profitable. In its fiscal third quarter ending on July 31, Firestone earned a net profit of \$10.4m...

Good third quarter for Deere

BY OUF FINANCIAL STAFF

DEERE, the world's largest manufacturer of farm equipment, lifted third quarter profits by over 16 per cent despite adverse overseas results.

the first six months of the year also continued in the third quarter. Foreign operations, however, were adversely affected by a lower real volume of sales...

Earnings at K mart on target

BY OUF FINANCIAL STAFF

K MART is well on target at the halfway stage for Wall Street forecasts of a 13 per cent rise to \$3.10 in share earnings at the year end.

earnings 10.6 per cent ahead at \$3.71m. The trading figures to date exclude results from K mart's Australian operation...

RESULTS IN BRIEF

Harris profits rise by one-fifth

NEW YORK—Net income of the communications and information equipment manufacturer Harris Corporation for the year to June 30 rose from \$32.17m or \$2.11 a share to \$63.09m or \$2.45 on sales ahead from \$572.2m to \$829.1m.

split last November. Wickes Corporation, the California-based retailing organisation, lifted first half net income from \$18.66m or \$1.55 a share to \$19.56m or \$1.72 on sales up from \$94.1m to \$1.01bn.

FT INTERNATIONAL BOND SERVICE

Advertisement for Diamond Shamrock U.S. \$45,000,000 multicurrency revolving credit facility, managed by Lloyds Bank International Limited.

FTC plans opposition to Exxon to Exxon formula

By Our New York Correspondent

THE FEDERAL Trade Commission, which has been seeking to block Exxon's \$1.2bn takeover of Reliance Electric...

VOLVO CAR A testing time for the alliance between Holland and Sweden

BY CHARLES BATCHELOR, RECENTLY IN BORN

THE HARMONY of the alliance between the Dutch Government and Swedish carmaker Volvo faces a stiff test tomorrow when the future of their joint venture, Volvo Car, comes under major scrutiny.

Volvo Car now admits it was prompted much criticism. These problems have now been put right and the 343 annual production has recently been topping trade popularity polls.

Sears Roebuck results down at halftime

By Our Financial Staff

SECOND QUARTER earnings and sales of Sears, Roebuck, the world's largest general merchandise retailer, were slightly lower. Net earnings of \$198.6m or 60 cents a share, were 3 per cent below last year's corresponding \$204.75m or 63 cents a share.

Volvo car expects this year to lift vehicle production by more than a third. Export sales, in particular, have risen sharply during the first seven months.

manual version of the new car will be available from the start of the year. The latest round of government aid is part of an overall Dutch-Swedish package for Volvo's new funds.

FT INTERNATIONAL BOND SERVICE

Table listing international bond issues with columns for country, issue name, and price/interest details.

Xerox-Intel deal

Xerox has agreed in principle to buy Intel Corporation's Intel computer-based information operation for about \$22m.

Foreign DM bond offers largest since January

BY JOHN EVANS

EURODOLLAR bond prices were in general retreat yesterday, again under the pressure of higher short-term U.S. interest rates.

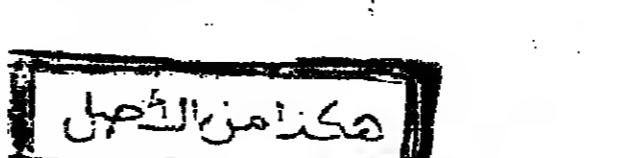
Greece seeks \$400m

BY OUR ATHENS CORRESPONDENT

THE BANK of Greece is planning to seek \$400m to \$500m in the Eurodollar market. Bank officials say first contacts have been made and that they are looking for ten-year money with a spread of 1 per cent over Libor.

DEUTSCHE BANK AG

Table listing Deutsche Bank AG international bond issues with columns for country, issue name, and price/interest details.



INTNL. COMPANIES and FINANCE

Akzo considers dividend payment

CHARLES BATCHELOR IN AMSTERDAM

The Dutch chemicals and group reports a marked improvement in profits in the half of 1979. The upturn, used by stock profits, is expected to continue in the current half of the year though the group improvement will slow...

(831m) compared with the same 1978 quarter. This meant first half profit rose more than six-fold to F1 101.8m from F1 15.1m in the first half of 1978. Net profit per share rose to F1 2.10 from F1 0.45 in the second quarter and to F1 3.43 from F1 0.53 in the first half...

De Beers Industrial Corporation Limited

(Incorporated in the Republic of South Africa) Interim report to members for the half-year ended 30th June 1979 and notice of declaration of dividends

Table with 4 columns: Investment income and sundry revenue, Deduct: General expenses, Group profit before tax, Deduct: Tax. Rows show half-year and year-ended figures.

The following are the unaudited consolidated results of the Corporation and its subsidiary for the half-year ended 30th June 1979 together with the comparative figures for the half-year ended 30th June 1978 and for the year ended 31st December 1978 which should be read in conjunction with the subjoined note...

Currency weakness helps Hongkong Bank

PHILIP BOWRING IN HONG KONG

HONGKONG and Shanghai Banking Corporation has turned a better than expected group of half profit increase of 37 per cent to HK\$432m (US\$54.3m) and the interim dividend has been raised by 10 cents to 24 cents per share...

Superintendent after Marine Midland indicated it intended to approach Mr. John Heimann, U.S. Comptroller of Currency, for a national charter. The bank is still pressing ahead with its U.S. \$300m bid for the U.S. based Marine Midland Bank...

HONGKONG ELECTRIC (HOL) Hoogkoo Electric (Holdings) profit for the six months ending June 30 of 1979

profit for the six months ending June 30 of 1979 is HK\$ 105.3m (U.S.\$ 20.8m) on turnover of 32 per cent higher at HK\$ 387m. The company said the full year profits should be "marginally" up on 1978 figure of HK\$ 255m

Boliden upgrades forecast

Victor Kärfetz in Stockholm

BOLIDEN the Swedish metals, chemicals and mining group, recorded a pre-tax profit of 1.63bn (831m) in the first six months of 1979 against a loss of 1.4m a year earlier, but second-quarter earnings of 77m were lower than the 85m for January-March...

Upturn at Mannesmann Demag

JONATHAN CARR IN BONN

MANNESMANN DEMAG, a key element within the diversified West German engineering group, Mannesmann, increased profits in the first half of this year and expects a satisfactory result for 1979 as a whole. The company, which specialises in metal work, construction equipment and plastics machinery, has clearly shared in the general upswing of demand to the domestic engineering industry...

Advertisement for Houlder Marine Drilling Limited. Includes a drawing of a drilling rig and text: 'The first land based drilling rig to be assembled in Britain for 18 years was recently completed and leased to: Houlder Marine Drilling Limited'.

Slow six months earnings progress for Tiger Oats

JIM JONES IN JOHANNESBURG

TIGER OATS, one of South Africa's largest diversified food groups is gradually reaping the reward of recently completed capital expenditure programmes. For the six months to June 30, 1979 the group has reported an 18.4 per cent turnover increase to R418m (\$501m) from R353m. In the highly competitive local food market, however, margins are still under pressure...

Australian electrical groups ahead

James Furch in Sydney

ELECTRICAL groups Simpson Pope Holdings and Email, which earlier this year locked horns in a takeover battle for Kelvinator Australia, have reported buoyant profit results. Simpson Pope boosted earnings 35 per cent to A\$3m (US\$3.4m) in the year to June 30, and has raised its dividend from 5 cents a share to 5.5 cents, on capital increased by a two-for-five rights issue...

Advertisement for European Asian Bank. U.S. \$25,000,000 Floating Rate U.S. Dollar Negotiable Certificates of Deposit, due 24th August, 1984. Singapore Branch. Merrill Lynch International (Asia) & Co. Agent Bank.

Advertisement for Banco Latinoamericano de Exportaciones S.A. U.S. \$25,000,000 Floating Rate Notes Due 1984. Merrill Lynch International Bank Limited Agent Bank.

First-half gain for Danske bank

Miley Barnes in Copenhagen

DANSKE BANK reports a rise in first-half operating profits to SKr 188m last year to 210m. It said the results for 1979 would show a similar gain, allowing for the adjustment of security values, the said earnings were up SKr 215m to SKr 413m, an increase in operating profits partly due to "success" in cutting costs under control though these rose by 30 per cent.

Smorgon takes control of ATL

OUR SYDNEY CORRESPONDENT

SMORGON GROUP has settled its protracted bid for control of ATL, the betting systems operator. In a market operation, mainly centred in Sydney, Smorgon picked up about 1.4m ATL shares, which took its stake in the company past 50 per cent. The shares were all acquired at A\$ 1.25 each—the price at which Smorgon has stood in the market since August 14. A\$5.4m (U.S.\$ 4.1m) to gain control of ATL, averaging A\$1.34 a share.

Zurich bourse meets with rising volume

JOHN WICKS IN ZURICH

OVER the Zurich Exchange for the first months of 1979 was of 68.4bn (84.32bn), or 10 per cent higher than that of the corresponding period of 1978. Total bargains rose to 153,587. An upsurge in turnover will continue at something like the present rate, make 1979 a record. The previous was in 1977, with turnover of SwFr 111,990, or 87.67bn. The Basle Bourse turnover of SwFr 15.5bn (89.36bn) compared with SwFr 12bn. Its total rose from 42,960 to 48,270 over the period. The Geneva Stock Exchange does not publish turnover figures but the Swiss National Bank reports a rise in the number of bargains for the first half of this year to 48,902, compared with 43,414.

equipment, particularly for the textiles industry. Sulzer is itself a leading international producer of textile machinery. UNION BANK of Switzerland and its fund administration affiliate Intrag AG, have created a special investment fund for fixed-interest Japanese securities. To be known as Yen-Invest, the fund has just offered its first certificates at a price of SwFr 500 each. The fund was set up in view of what the bank and Intrag consider the promising Japanese yen spreads and with regard to both earnings and exchange rates. Yen booms are said to be only "little known" in Switzerland. ZURICH Insurance has acquired Zurich Life Assurance of Sydney, through its existing Australian subsidiary. According to Zurich Insurance, premium volume of the new acquisition is of some A\$3.6m. The transaction will increase Zurich's premium volume in Australia to about A\$40m and total assets to nearly A\$100m. The Swiss concern already owns C.G.A. Fire and Accident Insurance and Commonwealth General Assurance, also of Sydney.

Advertisement for Multiple Sclerosis Society. INVEST IN 50,000 BETTER TOMORROWS! 50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE. Please help—send a donation today to: Room F.1, The Multiple Sclerosis Society of G.B. and N.I., 4 Tachbrook Street, London SW1 1SJ.

WORLD STOCK MARKETS

Indices

Table showing indices for New York, London, and other markets with columns for date, index value, and change.

Dow declines 2 points in early active trade

Investment Dollar Premium... Stocks turned lower in moderately active trading after opening higher.

Volume was 3,503,359 shares compared with 2,736,846 in the previous session. In Montreal, the market moved higher in active trading as the Composite Index rose almost two points...

Amsterdam Share prices rose, with Phillips unchanged in otherwise higher Dutch Internationals, dealers said.

Hong Kong The Hang Seng Index lost a further 13.84 points to close at 578.17 after a day of moderate persistent selling by local investors...

Germany Prices were mostly lower in medium turnover, with leading banks and autos substantially weaker, house sources said.

Switzerland High volume of trading and prices closed higher with leading shares continuing to feature a sustained rally, dealers said.

Stocks closed mixed in active trading. The financial Rand was unchanged at 85.5 U.S. cents.

Canada The market continued to advance in heavy trading as the Composite Index rose 11.6 to 1,652.3.

Australia Market trading was quiet in anticipation of the Federal Budget but prices remained firm. The industrial boards providing the highlights, dealers said.

Paris Quiet trading and share prices continued steady with no new factors visible, dealers said.

Milan Stocks closed mixed in active trading. The financial Rand was unchanged at 85.5 U.S. cents.

Canada Aishin Paper... Alcan Aluminium... Alcan Steel... Alcan Wire...

Germany AEG... Allianz... BMW... Daimler-Benz... Opel...

Australia AGA... Anglo... BHP... Broken Hill... BHP Billiton...

NEW YORK

Table of New York stock prices including ABC Lab, AM International, and various industrial and utility stocks.

STOCK

Table of stock prices for various companies like Johnson & Johnson, Pfizer, and others.

STOCK

Table of stock prices for Canadian companies like Inco, Alcan, and others.

STOCK

Table of stock prices for German companies like Volkswagen, Mercedes-Benz, and others.

STOCK

Table of stock prices for Australian companies like BHP, Rio Tinto, and others.

STOCK

Table of stock prices for Japanese companies like Toyota, Nissan, and others.

STOCK

Table of stock prices for various international and regional companies.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data with columns for series, volume, and price.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

AMSTERDAM

Table showing Amsterdam stock market data including prices and changes for various stocks.

GERMANY

Table showing German stock market data including prices and changes for various stocks.

TOKYO

Table showing Tokyo stock market data including prices and changes for various stocks.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg stock market data including prices and changes.

PARIS

Table showing Paris stock market data including prices and changes for various stocks.

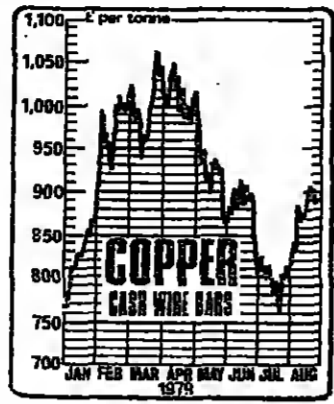
COMMODITIES AND AGRICULTURE

Threat to Malaysian palm oil

By Our Own Correspondent
KUALA LUMPUR—Malaysian authorities have issued a warning to syndicates to stop selling inferior palm oil seedlings to smallholders.

Copper rally reverses early downturn

BY JOHN EDWARDS, COMMODITIES EDITOR
COPPER PRICES rallied strongly on the London Metal Exchange yesterday after a weak opening following the overnight fall in New York.



According to the latest issue of the Copper Monitor, published by the Commodities Research Unit, copper mine production dropped in the non-Communist world by 176,000 (5.57 per cent) to 2,929 tonnes in the first half of 1979 compared with the same period last year.

Sharp rise in French dairy output

By Our Commodities Staff
OUTPUT OF dairy products in France rose sharply in the first half of the year. Figures from the Ministry of Agriculture in Paris show that butter production jumped 5.1 per cent over the comparable part of 1978.

UK growers capture blackcurrant sales

By A CORRESPONDENT
A DUTCH businessman, who has built up a flourishing fruit export company in Britain, is capturing outlets from Iron Curtain blackcurrant growers in the continental markets of Western Europe.

He recalls: "With the falling pound, we were finding it increasingly difficult to be competitive. As a small business we had to make do with what we had left if we didn't do something to take advantage of the situation. So we decided to start exporting as well as importing."

drive them from the market, his already substantial export trade will continue to grow. He said: "Blackcurrants must be able to compete with other fruits that are being turned into juices — apples, oranges, grapefruits and cherries."

Peninsular output up

KUALA LUMPUR — Peninsular Malaysian rubber production in May rose to 115,173 tonnes from 79,123 tonnes in April and 104,346 tonnes in May 1978, according to preliminary Statistics Department figures.

Higher grain prices forecast

BY OUR COMMODITIES STAFF
WORLD CEREALS production this year will be 1,388bn tonnes, according to the U.S. Department of Agriculture's latest circular. Although the harvest will be the second biggest in history, exceeded only by last year's production, stocks will fall and prices will rise.

China's economy, have prompted the USDA to reduce its forecasts of China's grain imports during the year. It now says imports will total 10m tonnes, down 1m from last year. The Chinese harvest is also looking healthy with wheat output forecast to rise 3m to 48m tonnes and production of coarse grains expected to climb 2.5m to 83m tonnes.

weather on crops in Argentina, Canada and Australia have also been affected by cold and drought, but both countries are reported to have ample stocks to keep up exports. Reuter reported that Statistics Canada said stocks of wheat in the country at the end of July were 552bn bushels compared with 455m a year earlier.

Australian wool prices higher

WOOL PRICES were higher at yesterday's Melbourne and Sydney auctions. Main demand came from Japan, with support from Eastern Europe and the EEC, official reports said. Of the 13,686 bales on offer at Sydney, the trade purchased 96 per cent, the Australian Wool Corporation (AWC) 1 per cent and 1 per cent was passed in.

English plum growers fight back

By OUR COMMODITIES STAFF
ENGLAND'S dwindling band of plum growers is fighting a rearguard action to protect and preserve a corner of the dessert fruit market for what they modestly describe as "the poor man's peach".

But it has only a tiny budget of about £2,000 a year, no help from Government or European Community funds, and also suffers from divisions within itself. More aggressive members want to see the industry freed from the burden of disposing of hard-to-sell processing plums.

As a result, sales of plum jam have suffered, although some supermarkets have now started differential pricing again. The processing industry has also been affected by imports of cheap fruit and nurees from Eastern Europe. Some manufacturers are still holding stocks of British puree from the 1976 plum crop.

Indian tea output down

CALCUTTA—Tea production in India during the first six months of 1979 totalled 175,866 kilos compared with 194,19m in the same period last year, the Indian Tea Board reported. Industry sources said the shortfall increased to 23m kilos during July, mainly due to adverse weather in north-east India.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Zinc, Lead), Rubber, Soyabean Meal, and Coffee. Includes prices for various grades and contracts.

Table for COCOA and RUBBER. COCOA section shows prices for various grades. RUBBER section shows prices for different types of rubber.

Table for SOYABEAN MEAL and COFFEE. SOYABEAN MEAL section shows prices for various grades. COFFEE section shows prices for different types of coffee.

Table for RUBBER and SOYABEAN MEAL. RUBBER section shows prices for different types of rubber. SOYABEAN MEAL section shows prices for various grades.

Table for PRICE CHANGES. Lists various commodities and their price movements over the period.

Table for AMERICAN MARKETS. Lists prices for various commodities in the US market.

Table for EUROBOBDS. Lists various bond issues and their details.

Table for ALUMINIUM. Lists prices for various grades of aluminium.

Table for COFFEE. Lists prices for different types of coffee.

Table for SOYABEAN MEAL. Lists prices for various grades of soyabean meal.

Table for EUROPEAN MARKETS. Lists prices for various commodities in the European market.

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Table for INSURANCE BASE RATES. Lists various insurance rates and terms.

Table for ALUMINIUM. Lists prices for various grades of aluminium.

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Trade returns fail to revive investment incentive and index falls 2.9 to 464.5—Gilts improve slightly

Account Dealing Dates Option
*First Declared Last Account Dealings (1989) Dealings Day July 30 Aug. 9 Aug. 20 Aug. 23 Aug. 24 Sep. 3 Aug. 28 Sep. 6 Sep. 7 Sep. 17

child Investment Trust, which rose 11 to 260p on the partial bid from Reliance of the U.S. there was little in the way of specialist features. Higher opening levels for British Funds failed to draw any worthwhile investment support and most gains were finally reduced. The shorts were a good example of this and generally closed with marginal movements in either direction; the exceptions were low-compon stocks which showed falls extending to 1. Although many longer-dated stocks registered rises of 1, the majority tended to be so earlier after the official close of business.

Continuing to lack support, the major clearing banks drifted down again. Lloyds, 288p, Midland, 358p, and NatWest, 328p, all gave up 4, while Barclays closed a couple of pence off at 428p. Elsewhere, Hong Kong and Shanghai lost the turn to 135p, after 131p, following the interim statement, while Grandlays came on offer at 96p, down 4.

B. Elliott encountered selling and gave up 6 at 220p along with Avery's, 4 cheaper at 255p, and Bullwell, 4 lower at 216p. Pegler-Hatterley fell a similar amount to 152p, while the 600 Group 3 cheaper at 89p, met with occasional offerings. News of the £3.6m U.S. deal failed to benefit Gwynedd, which eased a penny to 100p. Against the trend, Newman Tonks continued to respond to Press mention and gained 2 more to 78p, while London and Midland firmed a penny to 111p following the chairman's encouragement at the AGM about prospects.

slipped 2 to 88p and Fedens gave up 2 at 42p, but Peak recovered half of Monday's fall of 2 to end at 91p. Components 21 to end at 91p. Components 21 to end at 91p. Components 21 to end at 91p.

front of today's annual results. News of a £16.2m partial offer from Reliance, a U.S. concern, aimed at acquiring a 20.1 per cent holding in the company lifted Reliance Investment 11 to 260p, after 263p. The offer also drew attention to London Sumatra, in which RIT have a near-11 per cent stake, and the combination of bid speculation and far-eastern buying brought a sharp rise of 22 in LS to 306p. Other companies in the interlocked Harrison group rose in sympathy. Castledelf, 319p, Sokomanza, 320p and Doran & Clarke, 130p all gaining around 15.

FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government Sec., Fixed Interest, Industrial, etc.

HIGHS AND LOWS table showing price ranges for various stock categories.

OPTIONS table with columns for Deal-Declar, Last Settling, etc.

ACTIVE STOCKS table listing various stocks with their prices and changes.

Encouraged by a trade outcome for July more favourable than previous monthly returns, leading shares initially extended the rallying tendency which began during the after-hours trade on Monday. The gains were usually limited to a penny or so and often stemmed from dealers marking-up in the hope that investment interest would revive. However, the recent unsettling predictions about the outlook for the UK manufacturing industry seemed to be much in investors' minds and when demand failed to materialise the better tone began to give way. Professional operators also appeared reluctant to operate, being content to wait tomorrow's half-yearly statement from ICI.

Government Securities, on the other hand, maintained the previous evening's firmer tendency. Last month's improved trade performance aroused a small demand and, with Monday's £800m call on the partly-paid ultra-long maturity out of the way, stocks at this end of the market improved along with the shorts, but business overall was described as light.

Stenhouse easier In contrast to the previous day, when Continental Corporation's successful purchase of a 20 per cent stake (7.5m shares) in Stenhouse Holdings caused hectic dealing, trading conditions in the latter yesterday were much slower and Stenhouse drifted lower on sporadic offerings to finish 3 down on the day at 89p, after 83p. Elsewhere in narrowly mixed insurance, General Accident hardened 2 to 224p but Royals eased 3 more to 337p.

Wedgwood disappoint News of the first-quarter profits setback depressed Wedgwood which fell away to 78p before closing a net 7 lower on balance at 80p. Elsewhere in an uninspired miscellaneous industrial sector, Mysen eased a penny to 88p in reaction to the interim profits standstill having earlier risen to 91p, while Dundonian at 47p, 9p, 2 of the previous day's Press-inspired gain of 6. However 'A' cheapened 3 to 134p, while Combex hardened a penny to 63p despite Press criticism of the proposal to raise funds through the flotation of its DIY and industrial interests by way of a rights issue. Lawtex continued firmly at 77p, up 3 while Hensel 'A' supported and finished 2 to the good at 56p. Rockware added 3 to 97p and Royal Worcester 4 to 172p. The leaders plotted an irregular course in this trading. Unilever hardened 2 to 804p and GSO edged forward a penny to 115p but Boots eased that touch to 185p.

Oil's quiet Leading Oils made early modest progress, but drifted back as interest faded. British Petroleum settled 15 lower at 146p, while Shell ended 4 cheaper at 402p after 428p. Elsewhere, Oil Exploration gave up 4 to 348p and Tricentron slipped 2 to 222p. Australian advices prompted a gain of 3 to 62p in Woodside Petroleum. In Overseas Traders, S. Hornum added a couple of pence to 59p ahead of today's full-year statement. Ocean Transport improved to 99p immediately following the better-than-expected interim figures, but the depressing nature of the accompanying statement prompted selling at the higher levels and the shares closed only a net 2 up at 94p. Elsewhere in quiet Shippings, Common eased 3 to 197p. In Financials, Challenge Corporation slipped 3 to 102p in

Gold's improve A \$4 rise in the bullion price to \$302.625 an ounce in front of last night's U.S. Treasury gold auction prompted modest buying of South African Golds. The Gold Mines index added 1.2 to 170.5 and the ex-premium index 1.6 to 153.3. London, Johannesburg and Continental interest in the morning and early afternoon was followed by American buying but this tended to ease off towards the close and in the after-hours trade. Heavyweights registered gains of up to 3 in Harbortest, 517p, in Reeds, 516p and Free State, Geduld, 516p, while the medium and lower priced stocks showed East Driefontein 19 up at 65p and Loraine 8 higher at 33p. In South African Financials, De Beers responded to American buying and closed 3 firmer at 375p in front of the half-year results. Union Corporation were also in demand with a 4 gain at 388p; the half-year results are expected on August 28. London Financials lost ground in the wake of the UK equity market. Selection Trust slipped 1 to 516p, Rio Tinto-Zinc 4 to 287p and Gold Fields 5 to 213p. Australians held quietly steady with dealers awaiting the domestic reaction to the Federal budget.

LONDON TRADED OPTIONS table with columns for Option, Ex's price, Closing offer, Vol., etc.

K. O. Boardman slump K. O. Boardman International became a prominent dull feature in Stores, falling 3 to 151p after a 1979 low of 13p, following comment on the poor preliminary results. Wharf Mill, on the other hand, gained 5 to 32p in a thin market and Austin Reed 'A' found modest support at 95p, up 3. Dull conditions prevailed in the leaders where Marks and Spencer lost 3 to 113p as did W. H. Smith 'A', to 183p. The electrical market traded slowly with the leaders continuing their downward drift on lack of support. EMI cheapened 2 more to 94p as did GEC to 324p. Elsewhere, demand in a thin market prompted a rise of 5 to 210p, after 215p, in Louis Newmark, and Farnell Electronic revived with an improvement of 6 at 240p. United Scientific, on the other hand, gave up 6 to 340p and Cray Electronic, 32p, and Senter, 30p, relinquished 2 apiece. Sporadic offerings and the lack of support left the Engineering leaders at slightly lower levels. Y&H drifted down to 40p 4 cheaper at 320p, while John Brown eased 3 more to 416p and GKN cheapened a few pence to 266p. Secondary issues lost further ground, but the falls were less widespread than on Monday.

RISES AND FALLS YESTERDAY table showing price movements for various stocks.

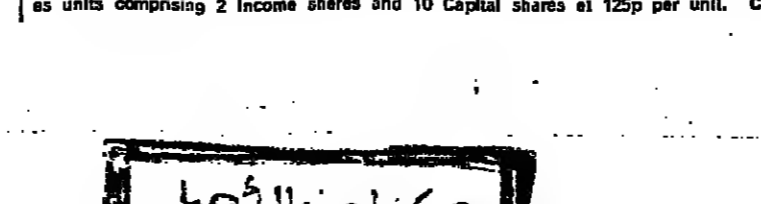
FT-ACTUARIES SHARE INDICES These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

FT-ACTUARIES SHARE INDICES table with columns for EQUITY GROUPS & SUB-SECTIONS and FIXED INTEREST YIELDS.

TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED. INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA. INTERIM REPORT FOR THE SIX MONTHS ENDED 30TH JUNE, 1979, AND DIVIDEND ANNOUNCEMENT.

NEW HIGHS AND LOWS FOR 1979 table listing various stocks and their prices.

RECENT ISSUES table listing newly issued securities and their details.



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Murray Johnstone U.T. Mnt. W., Friends' Provident Unit Tr. Mgrs., and National and Commercial. Includes columns for trust name, manager, and performance metrics.

Table listing insurance and property bonds companies including Abbey Life Assurance Co. Ltd., Crown Life Assurance Co. Ltd., and Lloyds Life Assurance Co. Ltd. Includes details on policy types and financial data.

Table listing various investment funds and trusts such as TOWER Unit Trust Mgmt. Ltd., TUI Unit Trust Mgmt. Ltd., and TUI Unit Trust Mgmt. Ltd. Includes columns for fund name, manager, and performance.

OFFSHORE & O'SEAS FUNDS

Table listing offshore and overseas funds including Alexander Fund, King & Sherrin Mgmt., and various international investment vehicles. Includes columns for fund name, manager, and performance.

NOTES: This section contains important information regarding the unit trusts, including details on how to obtain prospectuses and the role of the Financial Times in providing this information.

NOTES: This section contains important information regarding the insurance and property bonds, including details on policy terms and conditions.

NOTES: This section contains important information regarding the investment funds and trusts, including details on investment objectives and risks.

NOTES: This section contains important information regarding the offshore and overseas funds, including details on international investment opportunities.

FT SHARE INFORMATION SERVICE

DC design and build cost effective developments for industry and commerce

FOREIGN BONDS & RAILS table with columns for High, Low, Stock, Price, Div. %

BANKS & HP—Continued table with columns for High, Low, Stock, Price, Div. %

CHEMICALS, PLASTICS—Cont. table with columns for High, Low, Stock, Price, Div. %

ENGINEERING—Continued table with columns for High, Low, Stock, Price, Div. %

BRITISH FUNDS table with columns for High, Low, Stock, Price, Div. %

AMERICANS table with columns for High, Low, Stock, Price, Div. %

BEERS, WINES AND SPIRITS table with columns for High, Low, Stock, Price, Div. %

DRAPERY AND STORES table with columns for High, Low, Stock, Price, Div. %

HOTELS AND CATERERS table with columns for High, Low, Stock, Price, Div. %

Five to Fifteen Years table with columns for High, Low, Stock, Price, Div. %

Over Fifteen Years table with columns for High, Low, Stock, Price, Div. %

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for High, Low, Stock, Price, Div. %

ELECTRICALS table with columns for High, Low, Stock, Price, Div. %

INDUSTRIALS (Misc.) table with columns for High, Low, Stock, Price, Div. %

Undated table with columns for High, Low, Stock, Price, Div. %

CANADIANS table with columns for High, Low, Stock, Price, Div. %

BANKS AND HIRE PURCHASE table with columns for High, Low, Stock, Price, Div. %

ELECTRICALS (cont.) table with columns for High, Low, Stock, Price, Div. %

INDUSTRIALS (cont.) table with columns for High, Low, Stock, Price, Div. %

INTERNATIONAL BANK CORPORATION LOANS table with columns for High, Low, Stock, Price, Div. %

LOANS Public Bond and Ind. table with columns for High, Low, Stock, Price, Div. %

INTERNATIONAL BANK table with columns for High, Low, Stock, Price, Div. %

ELECTRICALS (cont.) table with columns for High, Low, Stock, Price, Div. %

INDUSTRIALS (cont.) table with columns for High, Low, Stock, Price, Div. %

INTERNATIONAL BANK table (cont.) with columns for High, Low, Stock, Price, Div. %

FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT. Includes contact information for various offices and subscription details.

CHEMICALS, PLASTICS table with columns for High, Low, Stock, Price, Div. %

ENGINEERING MACHINE TOOLS table with columns for High, Low, Stock, Price, Div. %

FOOD, GROCERIES, ETC. table with columns for High, Low, Stock, Price, Div. %

Large vertical table on the right side of the page containing various stock market data and company information.

مكتبة من الكتب

Financial Times Wednesday August 22 1979

INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and ICI.

INSURANCE—Continued

Table of insurance stock prices including companies like Lloyds, Allianz, and Swiss Re.

PROPERTY—Continued

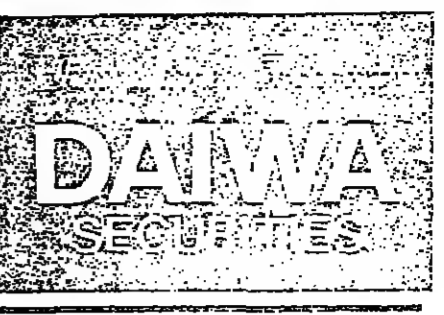
Table of property-related stock prices including companies like British Land and Land Securities.

INVESTMENT TRUSTS—Cont.

Table of investment trust stock prices including various funds like British Overseas and Anglo-Continental.

FINANCE, LAND—Continued

Table of finance and land-related stock prices including companies like NatWest and HSBC.



MINES—Continued

Table of mining stock prices including companies like Anglo American and De Beers.

OILS

Table of oil-related stock prices including companies like Shell and Esso.

OVERSEAS TRADERS

Table of overseas trading company stock prices.

RUBBERS AND SISALS

Table of rubber and sisal stock prices.

TEAS

Table of tea stock prices.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stock prices.

SRI LANKA

Table of Sri Lankan stock prices.

Africa

Table of African stock prices.

MISCELLANEOUS

Table of miscellaneous stock prices.

NOTES: London quotation for selected 500-share lots... unless otherwise indicated, prices and bid/ask spreads are in pence and denominated in sterling.

LEISURE

Table of leisure-related stock prices.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices.

SHIPPING

Table of shipping stock prices.

SHOES AND LEATHER

Table of shoes and leather stock prices.

SOUTH AFRICANS

Table of South African stock prices.

TEXTILES

Table of textile stock prices.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stock prices.

TOBACCOS

Table of tobacco stock prices.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stock prices.

PROPERTY

Table of property-related stock prices.

FINANCE

Table of finance-related stock prices.

DIAMOND AND PLATINUM

Table of diamond and platinum stock prices.

CENTRAL AFRICAN

Table of Central African stock prices.

REGIONAL MARKETS

Table of regional market data.

OPTIONS

Table of options market data.

3-month Call Rates

Table of 3-month call rates.



VALUERS TO INDUSTRY Bernard Thorpe LONDON, SW1 TEL: 01-834 6890

Khomeini orders expulsion of three Western journalists

THE IRANIAN authorities have told three resident Western journalists, including Mr. Andrew Whitely of the Financial Times, to leave the country after a call from Ayatollah Khomeini, the country's unofficial head of state, to be more revolutionary.

Shipyard workers act over cuts

WORKERS at all the major shipyards in Scotland and northern Ireland, are taking industrial action against British shipbuilders' proposals to cut the shipbuilding industry.

Carter hears Mid-East proposals

PRESIDENT CARTER'S top foreign policy advisers met yesterday to discuss the array in U.S. Middle East policy and telephoned the President, who is on holiday, with their recommendations.

Weather UK TODAY SHOWERS and sunny intervals in most areas. London, S. England, E. Anglia, Midlands, Channel Isles

EEC sets up trade barriers inquiry

THE EUROPEAN Commission has set up a special committee to look at the way in which member countries are protecting their markets from competition from within the EEC through various technical barriers.

Discriminated

The committee was set up by Mr. F. Brann, the director general for the internal market and industrial affairs, and will consist of senior officials from member states.

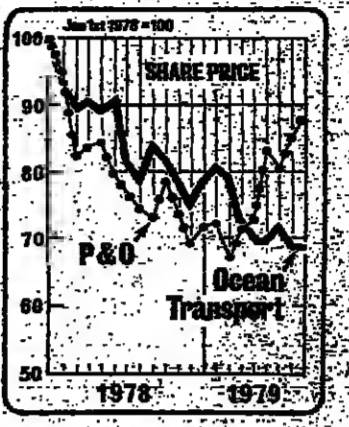
Rigorous

Entry into the West German market is similarly made more difficult, many exporters claim, by the rigorous standards procedure through which goods must pass.

Ocean's dividend warning

What with the UK heavy drivers strike and the severe disruption of its all-important Nigerian liner trades, the stock market was reckoning, ahead of the results, that Ocean Transport and Trading would be lucky to do much better than break even in the first half of 1979.

Index fell 2.9 to 464.5



While Ocean's first half performance is better than most had expected it has been flattened by the profits, as opposed to losses on ship sales (a swing worth £2.6m) and a £1m rise in the share of profits from associated companies.

Wedgewood

In June, Wedgewood was happily contemplating a uniquely successful year. In July, it warned that results for the first quarter to June would be "very disappointing".

Hong Kong

Trying to control the growth of credit in an economy which has been inflationary, the Hong Kong Government has been warned by the Bank of England to be "very cautious".

De Beers The laws of gravity have finally caught up with De Beers after four years leading to the boom of 1978. The Stock Market had been warned by the figures for diamond sales in the first half to expect a little less from De Beers this year.

link off

The implication is that the diamonds that it is selling are no longer being maintained in the diamond market, suggesting anything but a static outcome for the year.

Spillers asks investors to wait

THE BOARD of Spillers, the flour miller and food processor, has made a public plea to its shareholders not to sell shares before hearing the company's defence against last Wednesday's snap bid for £23.6m.

Ladbroke buying Laskys

OWNERSHIP of Laskys, a household name in bi-fi retailing, could change hands in the next day or so.

Wedgewood profits fall

operating profits fell from £1.8m to £937,000. Interest charges were up sharply to £367,000 and, after a much reduced tax charge, attributable profits were down to £139,000 from £1.15m.

Fairview logo with various brand names like KRUPS, Britax, Colston, etc. and text 'Fairview' and 'WWS for industry'.